



Lifelong Learning Programme



**MENUET – Mobile E- Novative Use of
E- learning Technologies**
Project No. LLP-LdV/ToI/2008/RO/010

About this course

The “e-Commerce” course is designed to offer the economic tools for the attendees to use the knowledge gained in all the courses in implementing and financing their own initiatives. Together with the other e-books, this result will contribute to the development of the learning environment providing a single transparency learning environment framework to ensure an effective and accurate LLL education. Related to the Lisbon key competences, this output comes to support the development of digital competences.

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1. Electronic business (e-business)

1.1 Definition

Electronic business is a business that is done through electronic media; this includes any business whose revenue is partially or fully generated by the use of information and communication technologies (ICT).

Therefore, electronic business (also called e-business) may be defined as the use of information and communication technologies (ICT) to support various activities of business.

In the same way e-commerce is commerce, which focuses on the use of ICT to facilitate the activities and relationships in the process. But while electronic commerce is the exchange of goods and services between businesses, groups and individuals and should be regarded as one of the main activities of each business, e-business on the other hand is something much more global and comprehensive.

In fact, e-business is a lot more than e-commerce. It is more strategically focused and emphasizes on the different activities that are implemented with the help of the new electronic opportunities. At the same time e-commerce is only an element of the overall strategy of e-business.

E-business includes business processes that cover the whole range of activities - e-sales, electronic processing of orders, customer service, ensuring a regular supply, cooperation and communication with other business partners. The underlying idea is to facilitate the interaction



and communication between the various parties involved in any business activity and the main priorities are improvement of data exchange and integration of processes that lead to streamlining of operations. This is done with the help of different types of software and using the Internet, intranet, extranet or some combination of these.

1.2 Terminology

Application Software - software applications that are designed for end users (such as databases, word processing programs, etc.)

Architecture - overall design of a hardware or software system.

Artificial Intelligence (AI) –field of computer science that deals with the intelligence of machines.

Asset Management - practice of collecting and maintaining a complete list of company owned assets (e.g. hardware and software).

Asynchronous Transfer Mode - ATM - networking technology that organizes digital data into separate units and transmits them through a physical medium using digital signal technology.

Authentication - the process of verifying the identity of the user, most often involves the use of passwords and digital certificates.

B2B (Business to Business) - exchange of goods and services between businesses.

B2C (Business to Consumer) - exchange of goods and services, the end users are the target group.

Bandwidth - the amount of data that a network can transport within a specified period of time. Greater width or capacity means more data transfer per second.

Broadband - a telecommunications network that can process large amounts of data.

Browser - graphical interface that allows the users to access and navigate in Internet.

Client – the party which requires information in the interaction between client-server (e.g. PC or terminal).

Cookies - information that websites leave on the hard drives of users to identify them and record their behaviour.

Customer Relationship Management (CRM) - practice of designing the enterprise around the customer and his wishes and needs. Enterprises use this technology and strategy to obtain a complete view of the customer.



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Data Mining – analysis of existing databases to obtain new information and find patterns, trends and relationships.

Data Modelling - data analysis and establishment of links and patterns.

Digital Certificate - digital document issued by a certification body that contains the holder's name, serial number, public key and the expiration date of the document. Digital certificates are used to send and receive reliable coded messages.

Digital Signature - digital signature, which is used to confirm the identity of the sender of a message or a signed electronic document.

Dotcom - company with a strong Internet presence that carries out all or part of its business through its website.

Dynamic HTML (DHTML) - combination of HTML language with languages like JavaScript, which allows interactivity.

E-business - any business conducted using electronic technologies.

E-commerce - buying and selling of goods and services, and also transfer of funds through digital communications.

Electronic Data Interchange (EDI) - business to business (B2B) flow of information between companies or within the company itself.

Electronic Fund Transfer (EFT) – movement of funds between accounts in electronic way.

Encryption - data encryption, which allows only selected recipients to decode them.

Encryption Software – software designed to encrypt and decrypt information.

Encryption/Decryption - process of using an algorithm to translate a message in unreadable format (encryption) and then back into a format readable by someone who possesses a secret key that allows it (decryption).

Ethernet - most commonly installed LAN network technology (LAN).

Expert System – system, programmed to use logic or rules in order to answer questions and solve problems.



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Extensible Markup Language (XML) – standard that defines rules for creating specialized markup languages.

Extranet - network of web resources with controlled access, available to certain users, e.g. customers or business partners.

Firewall - software and/or hardware system that isolates the computer network from outsiders.

Gateway - computer that allows communication between networks. In e-commerce - interface between the merchant and the bank.

Globalization – companies business expansion on other continents. Global companies have to comply with the variable business environment and the technological, political, economic and cultural characteristics of other countries and markets.

Graphical User Interface (GUI) - interface of an application that allows users to interact with graphical elements that are displayed on the screen instead of writing commands.

Hypertext Markup Language (HTML) - used to create documents on the web.

Information Services (IS) - department within a company responsible for computers, networks and data management.

Information Technology (IT) - all aspects of managing and processing information using the computer.

Infrastructure - hardware and physical components that comprise a computing architecture.

Internet – global, decentralized network, called The Net that connects millions of independent computers.

Internet Protocol (IP) - a protocol commonly used together with the higher level TCP protocol.

Internet Service Provider (ISP) - a company that provides paid Internet access to users. The latter use software to connect to their ISP via a telephone line or cable. The internet providers are interconnected via network access points (NAP).

Intranet - collection of Web resources that are kept behind a firewall and are intended for internal use within the company.

IT value - return on investment associated with technology in terms of resources and personnel. The companies make assessment of the IT when selecting and prioritizing new investments in



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information technologies and in predicting the return of a recent implementation or project.

Java - programming language at high level, which is object-oriented. Suitable for web applications.

Linux - operating system, modelled on Unix, which was written from scratch and has a free source code.

Local Area Network (LAN) - network that connects users within a single location, such as an office or university.

Network Computer (NC) - computer with minimal memory, disk and processor that is running programs and stores data in a shared network.

Notcom - company without Internet presence.

Open Source – software created by programmers who believe that technology should be distributed free of charge. The code of such programs (e.g. Linux operating system) is available free of charge and everybody can use, modify and improve it.

Operating System - software that directs the computer how to perform its basic functions and how to interpret the user commands.

Privacy policy - official statement on a website on the types of information collected on the site, its use, access to it and steps to remove it.

Protocol - rules that define communication between connected computers.

Search Engine - program, which provides users with information and website addresses relevant to the words that users have entered in the search field.

Shopping cart - software on a site that records selected for purchase items until the user reaches "Order" phase.

Standards - approved technologies that are designed to promote consistency of organizational processes within the corporate infrastructure.

System Software - software applications that manage computer resources and are not intended for end users (such as compilers, Loader, debugger, etc.).

Transmission Control Protocol / Internet Protocol = TCP / IP - the most common Internet protocol for communication. TCP protocol converts files into smaller packets that are sent over the Internet and received by another TCP layer, which assembles them again. IP protocol deals



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with the addressing of each packet in order to reach its proper destination.

Unique Visitors – unique visitor is a user who has visited a particular site within a specified time, usually 24 hours. If a user had visited a website 3 times within 24 hours, it is counted as one unique visit.

Unix - computer operating system created by Bell Labs in 1969. Unix is the first standard operating system that anybody could adapt and refine.

User session - each website visit by one person. The session is usually "closed" when all pages are closed or after a specified time of user inactivity.

Viral Marketing – marketing techniques that create a slogan or campaign so well accepted that the consumers relay the message to others and thereby increase its popularity and influence.

Virtual Reality (VR) - computer simulations that allow users to interact with 3D graphics.

Virus - malicious program concealed as something useful, which multiplies itself and can migrate to other computers causing damage to the systems by attaching to files stored in the boot sector, documents with macros or other files.

Web Server - computer that sends files to Web users.

Webcasting – broadcasting of digital media on the Internet.

Wide Area Network (WAN) - communications network that connects different locations over large distances.

Windows - computer operating system created by Microsoft.

World Wide Web (WWW) – graphic interface, which uses files that match the HTTP protocol. The Net is the most accessible and most widely used branch of the Internet.

1.3 Infrastructure

The technical aspects of e-business consist of Internet, server technologies, hardware and software products. This also includes various types of networks (Internet, intranet, extranet) and applications that enable the functioning of e-business. However the infrastructure of e-business is much more than technological elements put together. Despite a range of applications that safeguard and promote security, personnel management, relationship management with customers, knowledge management, provision of training and supervision, etc., a major part of this type of business continues to be the human element, and namely corporate management,



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staff, and even the customers. Broadly speaking, e-business is a combination of skilled people, technology elements and the corresponding business processes.

It should be mentioned, however, that the infrastructure is dependent on the specifics of the concrete e-business and every organization has to ensure the most appropriate solutions in order to meet the market demands for services and goods. This individualization and adjustment towards the relevant sphere of action, enables companies and organizations to drastically alter and optimize their infrastructure and way of functioning in terms of conducting e-business. This in turn allows them to develop their maximum potential and meet the ever-dynamic requirements of modern business.

1.4 Prerequisites

In order to be successful an e-business must meet the following prerequisites:

- Market perspective (Products and Services):
 - Customer profiling
 - Customization of products and services
 - Standards for content management
 - Interaction with clients
- Business perspective (production and distribution):
 - Innovative e-business models
 - Company virtual expansion
 - Partnerships and outsourcing
 - Electronic transactions and markets
- Technological perspective (technological development):
 - Technology design
 - Technological strategies
 - Implementation and dissemination of innovations
 - Acceptability for the clients



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All prerequisites must be met and developed synergistically so that an electronic business can achieve its potential. When some condition is missing or not properly developed, it reflects negatively on other elements in the system and hinders the development of overall business model.



1.5 Categories

		Buyer / Receiver		
		Client / Consumer / Citizen	Business	Government
Supplier / Provider	Client / Consumer / Citizen	<p>Consumer to Consumer e.g. eBay</p>	<p>Consumer to Business e.g. Elance.com</p>	<p>Citizen to Government e.g. online filing of tax returns</p>
	Business	<p>Business to Consumer e.g. Amazon.co.uk, Renault.fr</p>	<p>Business to Business e.g. Covisint.com</p>	<p>Business to Government e.g. online filing of company tax returns</p>
	Government	<p>Government to Citizen e.g. information on social security of citizens</p>	<p>Government to Business e.g. information about the latest legislation</p>	<p>Government to Government e.g. exchange of diplomatic information</p>



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1.6 Business Applications

E-business covers various fields of activities and there are many applications that cover different possible aspects - some of them are widespread and conventional, other - specialized and designed for specific cases. Some of the most common standard applications that facilitate and enable the operation of e-business are the following:

1.6.1 E-mail

Electronic mail, shortly called e-mail (email), is a method for exchanging digital messages. This type of communication can be carried out through public Internet email systems and also within private and with restricted access intranet systems. These systems are based on the principle of storage and retransmission, where the server systems accepts, forwards, delivers and stores messages, and the users send or receive new messages by connecting to the mail server through Internet/intranet devices (usually a PC or smartphone).

E-mail is the predecessor of Internet and in fact is an essential tool for the creation of the Net. Initially it was conceived as a means through which multiple users can communicate with each other by logging into a computer and saving messages to the disk, which could be read later. Over the time electronic mail developed and enabled the transmission of messages to different computers in connected networks. The e-mail symbol "@" (pronounced as "at") separates the user name from the domain name in the address of the e-mail.

The main advantages of this type of communication are:

- messages can be sent at any time of the day - if the recipient is not online at the moment, he will get/read the message next time he checks his email and if online he can reply to it in a matter of minutes
- it is much easier to stay in contact with people from remote locations and countries via e-mail.
- messages (emails) arrive much faster than the conventional paper mail.
- sending messages to anywhere in the world is free of charge.
- some e-mail applications also provide an opportunity to include voice messages.
- besides text messages different types of files including documents, pictures and music can also be sent online. A file that is sent in an email is called an attachment.
- the same message can easily be sent simultaneously to many people.



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The business community accepted very quickly email as a widespread communication tool and it can be assumed that this is one of the most important examples of the implementation of electronic information and communication technologies in modern business practice - something that has revolutionized and greatly facilitated the e-business.

1.6.2 Instant Messaging

Instant Messaging is a direct form of communication in real time via text messaging between two or more users on the Internet/Intranet through separately installed software or browser-based client program. The most popular instant messaging systems are Skype, ICQ, Windows Live Messenger, Google Talk, Yahoo! Messenger, Trillian, etc.

Instant messaging as a whole is part of the more general term "chat". But unlike the chat that uses web-based applications allowing communication between participants in a multiuser environment, who in most cases are anonymous, the instant messaging communication is between users, who almost always know each other (that is why in the instant messaging applications there are List of friends or List of contacts).

It is important to mention that instant messaging is some kind of a "hybrid" between the chat and the email and combines the strengths of each of these two technologies. Two-way communication in real time, which is characteristic for the chat, is a very important factor and enables instant messaging to provide synchronous communication. At the same time e-mail offers asynchronous two-way communication, but the delay between sending and receiving messages is a disadvantage. With chat applications it is not possible to establish communication when there is a delay (the user is not online) and usually it is not possible to review old messages. In the case of instant messaging this is not a problem because the messages are kept in so-called "history" and most of the systems allow sending messages to participants who are not online - for example to the e-mail of the user. Other advantages of instant messaging technologies are the use of webcam and microphone and free of charge voice communication and also the ability to send and receive various types of files (there might be a file size limit, but similar restriction exists with email servers, especially when international communication is involved).

Additional information / examples:

Skype

Skype is a software application that allows users to make voice calls, send and receive text messages, exchange files and more over the Internet. Some of its main features are:

Chat and group chat - allows you to communicate with other users with text messages

Conference calls - Up to five people can participate in a conference call with Skype



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Calling landlines and mobiles - SkypeOut allows users to make calls to landlines and mobiles direct from Skype easily and at cheap rates.

Call forwarding - With call forwarding users can redirect incoming Skype calls to another Skype Name, mobile or landline number.

Sending files - Skype can send files up to two gigabytes in size, transmissions are encrypted by the system, and thanks to its peer-to-peer network Skype can send very large files very quickly and securely.

Online numbers - Online numbers let your friends and family call you from landline and mobile phones and you answer on Skype. They're a great way to stay in touch with people you know who aren't on Skype yet. Online numbers are available for over 20 countries.

Voicemail - Unanswered calls are sent to voicemail and the user can listen to messages when he wants, wherever he is signed in to Skype.

Adding or changing my picture - Enables the user to add a picture in its profile.

Video calling - Skype Video allows users to use Skype with a webcam.

SMS - Users with Skype credit can SMS from Skype 2.5 or higher.

Skype Prime - Users can learn new skills and/or get advice by calling advisors listed by subject. Advisors can be selected by different categories: price, language, video, experience. Users can leave a review at the end of each call, building a reference guide for other callers.

<http://www.skype.com/intl/en/help/guides/skypeformac/skypefeatures/index.html>

ICQ

ICQ, launched in 1996 was the pioneer of Instant Messaging (IM). Today it is a Cross-Platform Communication Centre (CPCC). ICQ features include sending text messages, offline support, multi-user chats, free daily-limited SMS sending, resumable file transfers, greeting cards, multiplayer games and a searchable user directory.

Voice and video chat - Not only text chat, but audio and video communication

Emoticon galleries - Free emoticon galleries available

Game centre - Free online games

Birthday reminder - Enables sending greeting cards and free SMS (in selected countries)

Multiple chat - Chat with several users in one window

Extended search - Search in Internet and in the contacts lists



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Chat history - ICQ automatically saves users chat messages allowing search by keyword.

<http://www.icq.com/info/about.html>

Windows Live

Windows Live is a set of services and software products from Microsoft. Most of these services are Web applications, but there are also client-side applications that require installation on the user's PC. They are offered in three ways: Windows Live Essentials applications, web services, and mobile services.

Windows Live Messenger - In addition to its basic functionality and general capability as an instant messaging client, Windows Live Messenger offers the following features:

Sharing folders - When a user wants to send a file to another person on his or her contact list, the "sharing folder" window appears and when files are added to the "sharing folder" for that particular person, the file will automatically be transferred to the corresponding computer when they are online.

PC-to-phone calls - Windows Live Messenger supports PC-to-phone calls with Windows Live Call. This feature is available in selected countries: US, the UK, France, Germany, the Netherlands, Austria, Ireland, Finland, Belgium, Spain, and Italy.

Offline messaging - The user can send messages to contacts who are offline and will receive the messages once they come online. Additionally the user can start conversations when his status is set to Appear Offline.

Games and applications - The users can access various games and applications via the conversation window by clicking on the games icon, challenging a contact to a competition in a game, or inviting to launch a shared external application.

S60 Platform - A client for Windows Live Messenger developed for Symbian S60 Platform used in mobile phones and smartphones. This Messenger version includes many of the features of the Windows Live Messenger client, including grouped contacts, voice clips, image and file sending; as well as features unique to S60 such as tabbed chat windows and integration with contact list.

Xbox integration - Windows Live Messenger support was included in the Xbox 360 and named Xbox Live Messenger.

<http://download.live.com/>

1.6.3 Teleconferencing

Teleconference is the exchange of images, sounds and/or real-time data between participants from different locations linked by a telecommunications system. Teleconference can be done



using a telephone, computer, radio, television, etc. This type of communication is particularly appropriate for the business environment as it provides an opportunity for quality communication, teamwork, offering new ideas, clarification of details, addressing problems and timely and adequate information to all participants in the chain. Other advantages are high efficiency and relatively low cost of this service to other modes of communication and real time action. Its proper and timely implementation can significantly improve the productivity of the organization covering employees of all levels. Besides reducing the cost of travel teleconferencing saves time, which may be allocated to the performance of other tasks. Internet teleconferencing is a very affordable and convenient solution for modern e-business - its hardware requirements include the presence of a good Internet connection, computer, audio and video devices. Software requirements are restricted to the availability of suitable conference software which complexity, versatility and price depend on the company's needs. There are Open source and free applications that offer basic functionality and are available to everyone.

Additional information / examples:

List of teleconference software and service providers -

Adobe Acrobat Connect

Adobe Acrobat Connect, part of the Acrobat family is a last generation of web conferencing software from Adobe that enables individuals and small businesses to instantly communicate and collaborate through easy-to-use, easy-to-access online personal meeting rooms. Reduce your travel costs, save time, and increase productivity—get your free trial today.

<http://www.adobe.com/products/acrobatconnect/>

Glance

Glance is a software tool for web demos, presentations, webinars, training, and more.

Glance offer solution for remote tech support and training. It lets the user see or control the guest's PC. Glance supports up to 100 guests.

<http://www.glance.net/>

Google Talk

Google Talk is a downloadable chat application featuring text chat with instant messages, status updates and file transfer; and voice chat supporting free long distance communication, audio conferencing and Gmail integration.

<http://www.google.com/talk>

GoToMeeting



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GoToMeeting is a web conferencing tool that allows users to meet online. It's patented technology enables co-workers, customers and prospects to view any application running on the user's PC in real time. GoToMeeting hosts unlimited meetings for an unlimited duration with up to 15 attendees per meeting. GoToWebina offers unlimited Webinars with up to 1,000 attendees.

www.gotomeeting.com

InterCall

InterCall offers a variety of audio, web and video conferencing services that allow users to communicate quickly and more effectively. InterCall is a division of West Corporation, a leading provider of outsourced communication solutions to many of the world's largest companies, organizations and government agencies.

<http://www.intercall.com>

LifeSize Desktop

LifeSize Desktop is a standalone desktop client (no server required) that allows users to receive 720p30 video in full 16:9 format, for effective collaboration at a distance. HD audio with echo cancellation delivers a rich, true-to-life experience. LifeSize Desktop supports off-the-shelf webcams for quick, simple deployments. Remote users can easily connect and receive high quality video at any bandwidth, over the corporate VPN or through LifeSize Transit, for secure NAT/Firewall traversal.

http://www.lifesize.com/en/Products/Video/LifeSize_Desktop.aspx

Microsoft Office Live Meeting

Microsoft Office Live Meeting 2007 is an online meeting space that an organization can subscribe to or host internally. Users can meet with their colleagues online, which allows them to collaborate in real-time. Microsoft Office Live Meeting 2007 is installed on the users computers, allowing them to connect to meetings (whether they are hosted on your organization's servers or on the Microsoft Office Live Meeting service).

<http://office.microsoft.com/en-us/livemeeting/default.aspx>



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Mirial Softphone

Mirial Softphone is an advanced software-only client for professional quality videoconferencing in H.323 and SIP environments, with Full-HD 1080p support, embedded MCU functionalities and advanced media encryption.

http://www.mirial.com/products/Mirial_Softphone_HD.html

Premiere Global Services

PGi designs scalable, global collaboration tools that include audio conferencing for reservationless audio meetings; web conferencing for on-demand online collaboration; video conferencing; event conferencing for 30 to 3 000 participants.

<http://www.pgi.com>

Radvision Scopia

Scopia Desktop is designed to meet the demands of high performance video conferencing with a standard PC and Internet connection. It includes the latest in video technology providing HD H.264 for viewing both meeting participants and data collaboration. Its audio system provides echo cancellation, background noise suppression, and is highly resilient to network errors common on the Internet.

<http://www.radvision.com/Visual-Communications/Video-Communications-Solutions/>

SightSpeed

SightSpeed is Internet video chat, voice calling, and video conferencing solutions provider. SightSpeed offers high-quality, full-motion 30 frames per second video with clear audio and no annoying delay. It allows sending video emails, has integrated instant messaging (IM) service and offers low-rate worldwide phone calling.

<http://www.sightspeed.com/>

Skype

Skype allows conference calls, text chat with up to 150 participants, one-to-one video chat with more than two participants able to talk. Skype for Power Gamers (S4PG), announced that in 2010 it would release both a client and server Skype Add-on that will enable Skype end-users to host auto-conference rooms.

<http://www.skype.com/intl/en/business/features/conferencing/#featureTop>

Tandberg Movi



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TANDBERG Movi is a last generation video collaboration tool that turns any PC into a mobile, high-definition video conferencing system. Paired with the TANDBERG PrecisionHD USB camera, Movi enables high definition 720p 30fps video. Movi also enables the user to select and share content and presentations with any standards-compliant video device.

http://www.tandberg.com/collateral/product_brochures/TANDBERG%20Movi%20Solution%20Sheet.pdf

Tokbox

Tokbox offers free videochat with up to 20 people simultaneously, text chat, sharing videos, presentations and documents. It requires no download of a client, only internet connection.

<http://www.tokbox.com/>

Vidyo: VidyoConferencing

Vidyo's conferencing solutions take advantage of the most recent enhancement to the H.264 standard for video compression — Scalable Video Coding (SVC). The result is HD/Telepresence quality and low-latency delivered over general-purpose IP networks. No dedicated networks ever required.

<http://www.vidyo.com/>

WebEx

WebEx is a web-based service that combines real-time desktop sharing with phone conferencing using Cisco WebEx web meeting applications. They're delivered as software-as-a-service (SaaS) over the web, and they're easy to access from anywhere in the world.

<http://www.webex.com>

1.6.4 Newsgroups

Usenet is a system of boards, which is distributed worldwide and is one of the most popular services on the Internet. It was founded in 1979 and its aim is to enable users to read and post messages into different categories known as "newsgroups" or "discussion groups". Overall Usenet resembles electronic bulletin boards (BBS) and is forerunner of today's Internet forums.

Newsgroups (discussion groups) are online communities that are devoted to discussing a particular topic, problem or interest. Similar to chat, they can be very useful source of information or provide help and assistance from other users. Somewhat misleading about the nature of newsgroups is the very name, but such groups are formed very rarely about the past events and in general their function is not to transmit the latest news. Newsgroups are valuable sources of



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information, very often the topics are hobby, entertainment, travel, business interests, may even be a place for political debates, but the richness of the generated information is based on ongoing discussions and group discussions among consumers, opposed to the "newsroom" broadcasting or publication of chronological events and news.

These groups enable users to gather with others who share their interests. The topics can be extremely diverse as the people involved - the groups can be composed of people of different ages, nationalities and religions who live in different parts of the world. Overall newsgroups unite around a theme and in some newsgroups the rules require participants to adhere strictly to the designated topic and posts containing off-topic are undesirable. In other newsgroups rules allow overlap of the broad themes under which is possible to discuss almost anything. The creator of the newsgroup and the administrator will establish the main theme, who will have access to the newsgroup (whether it will be open to the general public, or with private limited access), how long the published files, comments and posts will be kept on the server etc.

Some groups are massive repositories of valuable information that is collected for years and kept on the respective server. Parts of the archives have been converted to HTML format, which allows access with ordinary Web browser. Usenet is the main newsgroups system and a large part of its archives are accessed through Google. There are also newsgroups outside Usenet that are hosted on servers of individuals or organizations such as the Microsoft newsgroups, providing scope for discussion, support and technical questions about their products: (<http://www.microsoft.com/communities/newsgroups/default.msp>).

Over time the weblogs had seized some of the functions of the newsgroups and become a preferred means of publication, as somewhat less susceptible to spam posts.

Additional information / examples:

Archive with over 700 million messages posted in Usenet for a period of more than 20 years with an option to search by keyword - <http://groups.google.com/>

Newsgroups hierarchies - [http://en.wikipedia.org/wiki/Big_8_\(Usenet\)](http://en.wikipedia.org/wiki/Big_8_(Usenet))

Business newsgroups - <http://groups.google.com/groups/dir?lnk=od&sel=topic%3D46358>

E-commerce newsgroups - <http://groups.google.com/groups/dir?lnk=srgmt&q=e-commerce>

1.6.5 Systems for Enterprise Content Management

Enterprise Content Management (ECM) systems facilitate content management on corporate level. These include technology, applications and methods for collecting, managing, storing and delivering content needed for day to day operation of the organization. The main purpose is to



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enable companies to take more rapid and flexible solutions by providing a wide range of options for the management of corporate content and automate and optimize business processes.

Systems for corporate content management are sophisticated modern extensions of the "paperless office" concept whose purpose is to achieve maximum office productivity, digital archiving and document management. Besides the standard technology for content management they provide the opportunity for collection of company documents, search option and most importantly - networking through the Internet / intranet technology. Their predecessor are systems for electronic document management (EDMS), which are less global and multi-purpose, have more specific focus and provide solutions to individual problems and needs. The main benefits of the introduction of Enterprise Content Management systems are:

- Time savings
- Improving access to information
- Improved cooperation and communication
- Increased efficiency
- Facilitated corporate accounting and other administrative processes
- Minimization of errors
- Creating lasting digital archives
- Improved control

Microsoft and Oracle are among the largest providers of software for enterprise content management, however there are also open-source systems that allow free distribution, use and upgrade of this type of software.

Additional information / examples:

What is Enterprise Content Management? - <http://www.aiim.org/what-is-ecm-enterprise-content-management.aspx>

Some of the companies that provide solutions for enterprise content management:

IBM

The IBM ECM portfolio integrates business process management to improve business agility and effectiveness, serving up content in context of daily, critical decisions - just at the moment it matters most. The expression that ECM helps companies make "better decisions faster" is not a slogan; it's a reality for those successful companies that manage and deliver content for excellent customer service, maximum workforce efficiency and double-digit return on investment.



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Agile ECM from IBM offers optimized process development - agile ECM enabled by content centric BPM; Business Content Services - integrate collaboration tools with content management; ability to extract needed information from statements and reports. It empowers business users and their IT partners to rapidly and easily deploy ECM capabilities; shortens time to value and lowers costs through faster and more flexible ECM application development and deployment; increases ability to react to changing business requirements and compliance mandates.

<http://www.ibm.com>

EMC

EMC Consulting follows a unique ECM Project Deployment Methodology (EPDM) that takes a strategic approach to implementing ECM. The ECM Roadmap Study provides answers to key questions, such as: what business goals and benefits are you expecting from your ECM project and what is the solution vision and what activity streams are required.

ECM Strategy get clients' enterprise content management strategy from the start and achieves better knowledge sharing, process optimization, and content security. It enables companies to share information with customers, suppliers, and employees more efficiently.

<http://www.emc.com/>

Opentext

The Content Expert at Open Text offer the Open Text ECM Suite, which helps the clients manage and gain true value from their business content by connecting it with people and processes. With the Open Text ECM Suite, the clients can control the cost and risk of content, make processes more agile, and empower people to make better decisions.

The Open Text ECM Suite brings together the content management capabilities needed to manage all types of enterprise content—including business documents, vital records, Web content, digital assets (images, audio, and video), email, forms, reports and more.

In addition, it fosters team collaboration with project and community workspaces, forums, blogs, wikis, and real-time instant messaging and collaboration.

The benefits of an Integrated ECM Suite are lower costs of deployment, administration, and training; greater process efficiency; increased leveraging of knowledge assets; tighter control of content use and consistency.

<http://www.opentext.com/>

Oracle



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Oracle Enterprise Content Management is a unified enterprise content management platform that enables businesses to leverage industry-leading document management, Web content management, digital asset management, and records management functionality to build own business applications. Building a strategic enterprise content management infrastructure for content and applications helps to reduce costs, easily share content across the enterprise, minimize risk, automate expensive, time-intensive and manual processes, and consolidate multiple Web sites onto a single platform.

<http://www.oracle.com/>

Microsoft

The document management capabilities in the Microsoft integrated ECM solution can help organizations consolidate diverse content from multiple file shares and personal drives into a centrally managed repository with consistent categorization. Integrated search capabilities can then help people find and share this information. IT organizations can also protect the content in this centrally managed repository from unauthorized access.

Integrated collaboration capabilities, such as automated workflow, help people work better together to create, review, and approve documents in a more structured way. That way, they no longer have to rely solely on e-mail to share documents. Mobile workers can also use these documents offline when they are not connected to the network.

<http://www.microsoft.com/>

Hyland Software

OnBase is a fully integrated enterprise content management (ECM) software suite used by more than 8,000 mid-tier and Global 2000 enterprises to capture, route, manage, share and archive high volumes of corporate information critical to business operations, audits and customer service. Eliminating low-value manual tasks through core OnBase functionality such as document imaging, workflow and COLD/ERM and making all content instantly available from a single, easy-to-use interface increases employee productivity and operational efficiency. OnBase complements its ECM functionality with expertise in specific industry solutions and back office operations.

<http://www.onbase.com/>

Interwoven

Interwoven is a single platform that supports a comprehensive set of information management tools for documents, records, and e-mail and extends to enterprise search, archiving, and eDiscovery. Autonomy iManage helps law firms and other professional services drive productivity and growth by making it easy to organize, find, and govern all vital information assets.



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Interwoven helps businesses to organize all content associated with projects, matters, and engagements in a centralized, logical, and intuitive manner to form the foundation for a bullet-proof information management strategy.

<http://www.interwoven.com/>

Xerox

Xerox DocuShare is a proven, award-winning, affordable Web-based software application that delivers sophisticated, yet highly personalized content management capabilities. DocuShare enables users to capture, manage, share, and protect a wide range of paper and digital content in a secure, central, and highly scalable repository. DocuShare's intuitive, easy user interface enables high adoption; users can get up and running the same day it's installed and they can be fully trained in a week. DocuShare is easy-to-deploy, requiring little to no IT support, and it works with all common hardware and software.

<http://www.xerox.com/>

SAP

SAP Enterprise Content Management capabilities allow businesses to efficiently manage unstructured information (such as documents) along with structured information (such as application data) in the context of business processes. SAP offers multiple ECM capabilities and services as part of SAP NetWeaver, several SAP applications and integrated partner products:

Knowledge Management; Web Page Composer; Records Management; Knowledge Provider; Content Server.

<http://www.sap.com/>

Objective

Objective delivers a complete ECM solution that connects an organisation's content with the people who need it, when they need it. It enables organisations to leverage enterprise content as a valuable and strategic asset, offering a central point of access, management, security and control. Objective can be used for virtually any kind of information object. Objects including word processing and spreadsheet files, presentation software, drawing packages, images, workflows, databases, emails, audio, video and CAD applications.

<http://www.objective.com/>

Ever-Team

Ever-Team is the leading European software vendor in the field of integrated Enterprise Content Management (ECM) and features in the "Magic Quadrant" of ECM solutions, published by Gartner. EVER TEAM helps organizations of all sizes implement content lifecycle management



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that enables them to better and more cost-effectively manage, use, protect and share information.

<http://www.ever-team.com/>

Alfresco

Alfresco is a leading open source enterprise content management system built by experienced team in the industry drawn from Documentum, Vignette and Interwoven. The open source model allows Alfresco to use best-of-breed open source technologies and contributions from the open source community to get higher quality software produced more quickly at much lower cost. The goal is to not only provide an open source offering but to surpass commercial offerings in terms of features, functionality and benefits to the user community. Alfresco is built by a team of leading members from Documentum and Interwoven with 15 years experience in Enterprise Content Management, including the co-founder of Documentum.

<http://www.alfresco.com>

1.6.6 Online office suites

Online office suites are a combination of office applications that are offered by certain websites in the form of an online service. They can be accessed through various devices and operating systems, which connect to the Internet. The goal again is to increase productivity and offer solutions for better cooperation. The main advantage of online office suites is that they significantly improve cooperation and enable online storing of documents allowing any time any place access from around the world. Other advantages include simultaneous work on a document by multiple users, lack of need to install different programs on users' computers, the centralization of information and ease of backup, low hardware requirements for access, facilitating sharing and exchange of information. Among the disadvantages of online office suites may be mentioned in particular: the need for internet connection (which may not be present in remote locations and areas), dependence on the speed of the connection, eventual overloads of the online server and in some cases paid subscription for the service.

Additional information / examples:

ContactOffice

Proprietary

ContactOffice is a web virtual office application accessible with a browser. It is a set of interrelated tools:



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Messages -Enables users to send the same message by email, fax and/or SMS. Gathers all email addresses (POP3, Gmail and Yahoo) in a single interface that can be accessed from everywhere. Users' own domain name can be used as primary email address.

Calendar - Users can be reminded by email and/or SMS for specific events (appointments, birthdays, etc.).

Address book - Holds contacts with full contact data, IM addresses, picture, personal comments and access map.

Documents - Stores all types of documents online.

Virtual drive - Online documents can be accessed easily from a special folder on users' operating system desktop (Windows, Macintosh, Linux).

Notes - Creates notes and finds them back quickly.

Bookmarks - Stores users' bookmarks online to be accessed from any computer. Import and export features work with all Web browsers (Internet Explorer, Mozilla, Firefox, Safari, etc.).

<http://www.contactoffice.com>

Feng Office (formerly OpenGoo)

Open source

Feng Office is an open source, fully featured online office suite. The application can be downloaded and installed on a server. It features:

Overview - The Overview shows a summary of management information. It displays relevant information like: schedule of coming and current activities, running tasks, overdue and pending tasks, recently added or modified documents, latest messages, comments and conversations, e-mails, and more.

Workspaces - Workspaces allow individuals and teams to organize their data and tasks, and share them with other people. They can be linked to Clients, Projects, Products, Services, Departments, etc. Users can define many levels and sub-levels of Workspaces.

Notes - A note could be entered by any user, and can notify others about it by e-mail.

E-mails - The e-mail follows the traditional scheme with one or more addressees who exchange messages. Additionally, users have the possibility of sharing the message with others by sending the message to a shared workspace. E-mail attachments are automatically stored as Documents.



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Contacts - The contacts module manages the information of all organizations and people linked to users' company. The contact list can be filtered by a specific workspace, by tags, or in a general manner.

Calendar - The calendar allows scheduling an agenda of events, milestones, tasks with deadlines, and meetings. It can be displayed daily, weekly or monthly. The schedule could be shared amongst the users who have the correspondent privileges.

Documents - Feng Office allows users to store and share all types of documents. The system keeps record of the different versions, comments, and a controlled access to optimize the work of people who collaborate on a document. Text documents and presentations can be created or edited directly in Feng Office without the requirement of any additional software installed.

Tasks - Users can track every task, sub-task and milestone that is part of a service, project or activity. The system provides quick access to the tasks, grouped by state (pending, behind schedule and completed), priority, assigned person, and more. Tasks can be grouped using milestones, setting common deadlines and improving project management.

Time tracking - The system allows the tracking of hours for each workspace, sub-space, task and user. Reporting capabilities allow to easily produce a list of hours for any time period, users and workspace.

Web links - Web-links are hyperlinks to external Websites. They can be classified by tags, linked to other information and assigned to any number of workspaces.

Search & filters - The information can be quickly accessed using the integrated search engine, or it can be found using the filters of type, tags or workspaces.

User' administration - Users can modify, register or create new users through the user panel.

Linked information - All the information managed by the system can be linked, assuring no element is forgotten or goes unnoticed. One document can have messages linked to it -or a meeting can have documents- and so with every element of the system, thus creating infinite data management possibilities.

<http://www.fengoffice.com>

Google Docs

Freeware

Google Docs is a free, AJAX-based Web-based word processor, spreadsheet, presentation, form, and data storage application offered by Google. It allows users to create and edit documents online while collaborating in real-time with other users.



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Documents, spreadsheets, forms and presentations can be created within the application itself, imported through the web interface, or sent via email. They can also be saved to the user's computer in a variety of formats (ODF, HTML, PDF, RTF, Text, Word). By default, they are saved to the Google servers. Open documents are automatically saved to prevent data loss, and a revision history is automatically kept. Documents can be tagged and archived for organizational purposes. The service is officially supported on recent versions of the Firefox, Internet Explorer, Safari and Chrome browsers running on Microsoft Windows, Apple OS X, and Linux operating systems.

Google Docs serves as a collaborative tool for editing amongst users and non-users in real time. Documents can be shared, opened, and edited by multiple users at the same time. In the case of spreadsheets, users can be notified of changes to any specified regions via e-mail. The application supports the ISO standard OpenDocument format. It also includes support for proprietary formats such as .doc and .xls as well as support for .docx and .xlsx.

<http://docs.google.com>

ShareOffice

Proprietary

With ShareOffice, users can easily create, edit, and share documents online. This tool allows users to automatically generate frequently used sales documents such as proposals, contracts, quotes, and letters in a single browser interface using customer data from salesforce.com. Marketers are also empowered to easily and quickly create, manage and share marketing documents online such as newsletters, press releases, and product brochures.

ShareOffice supports business-critical sales and marketing workflows and operates entirely as a software service via a browser.

<http://www.sharemethods.com/products/shareoffice.html>

ThinkFree Office

Proprietary

ThinkFree Office is an office suite written in Java and works under Microsoft Windows, Linux, and Mac OS X. It includes a word processor (Write), a spreadsheet (Calc), and a presentation program (Show) and requires no installation. The interface is identical to Microsoft Office. ThinkFree Office offers 1GB of free online file storage allowing the users to can share documents with colleagues and friends and manage collaborative editing tasks. The suite also includes blog editor "Note" - a powerful WYSIWYG style editor, more than any other conventional blog editor. Users can directly work with contents such as YouTube video, Yahoo map or Flickr photo.



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www.thinkfree.com

Zoho Office Suite

Proprietary

Zoho Office Suite is a free online office suite from AdventNet, Inc. It includes a word processor, spreadsheet, presentations, and collaboration groupware. It features:

Zoho Mail - Web-based email service

Zoho Writer - Online word processor

Zoho Discussions - Free forums

Zoho Sheet - Spreadsheets

Zoho Show - Online presentation tool

Zoho Docs - Online document management

Zoho Notebook - Online note taker

Zoho Wiki - Online collaboration wiki site

Zoho Share - Centralized public repository

Zoho Planner - Online organizer

<http://www.zoho.com>

1.6.7 Electronic/Online/Internet Banking

Online banking, called electronic or Internet banking allows customers to perform financial transactions through a secure website. This significantly facilitates people and saves unnecessary physical presence in the bank, queuing, transportation costs, filling out paper forms, and especially time. Online banking is linked to savings and the banks as well - no further need to maintain a numerous staff, documents are stored in digital form in a secure centralized location and last but not least limits the cost of paper, supplies and transportation. The advantages for the customer are that online banking is fast, convenient, inexpensive and available anytime, day or night from anywhere. As disadvantages can be mentioned the need for internet connection to access this service, the lack of direct human contact (in some cases, the customer routine leads to reluctance to use this type of service) and concern among customers about the security of online transactions (which are generally unjustified, since the contemporary levels of online transactions security risks are not higher than those of the conventional ones).



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In online stores the security is often ensured by use by of authentication password. In online banking, however, this is not a sufficient guarantee, and therefore secured protocol HTTPS, which encrypts all traffic (the protocol is a combination of standard protocol HTTP + SSL) are usually used. Another method of ensuring security is using the transaction authorization number (TAN) by token device. It ensures additional safety for the online transactions by generating unique single numerical codes to verify transactions.

Electronic banking allows around the clock and real time management of resources such as:

- Information on the status and movements on the account
- Money transfer
- Conducting a non-cash currency exchange
- Online trading
- Payment of bills

It is a reliable alternative to traditional banking, with the difference that the client does not have to leave his/her home or office.

Additional information / examples:

Demo video for online banking - <http://infocenter.bankofamerica.com/ic2/online-banking/view-balances-account-activity/>

What is online banking? - <http://www.bankrate.com/brm/olbstep2.asp>

1.6.8 Payment systems

Payment systems represent a set of rules, instruments, banking procedures and technical systems for interbank transfers to ensure the movement of money between private individuals, banks, businesses and public organizations. Or more simply put, they are systems for transferring alternatives to cash. An efficient and reliable payment system reduces costs in the exchange of goods and services and ensures smooth functioning of capital and money markets. Payment systems are vital and integral part of the economy and businesses and their security and efficiency is crucial for consumer confidence.

Electronic (also called online or Internet) payment systems are subsets of the transactions related to electronic commerce and provide electronic transfer of funds in the sale and purchase of goods and services over the Internet. With the expansion of consumption and the growth of Internet electronic commerce, electronic payment systems underwent a significant development



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and are more widely used internationally by vendors and customers. For more information on online payment systems, please see Chapter 2.

Additional information / examples:

Worldwide payment systems -

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTFINANCIALSECTOR/0,,contentMDK:20869102~menuPK:6110491~pagePK:210058~piPK:210062~theSitePK:282885~isCURL:Y~isCURL:Y,00.html>

Payment systems categories - http://en.wikipedia.org/wiki/Category:Payment_systems

For information on electronic / online payment systems, please see Chapter 2.

1.6.9 Online Shopping

Online shopping is a driving factor for e-business and an integral part of electronic commerce and allows customers to buy products or services over the Internet. For more information on online shopping and online sales software, please refer to Chapter 2.

1.7 Business models

The business model is an essential part of the organization's selected business strategy. It affects the financial side of the business (revenue and expenditure) and determines how a company is self-sustaining and generates profits. The aim is to reduce costs along the chain and to increase the final revenue. In some business models the scheme is quite simple - the company offers its clients products or services and if all goes well generate income which can cover the costs of production and profit. Other models are more complex and do not allow a clear definition of the final income, as this may depend on many factors and variables. An example of this business model is advertising and broadcasting, and business models in the field of innovative information technologies.

The penetration of ICT in business in recent years has significantly changed the existing business models and led to the emergence of entirely new ones. At the same time return to old business models is observed which are developed according to the changing and evolving business environment. Examples are the so-called Internet or online auctions, which are often used in the past as a way to acquire rare goods or valuable objects of art and antiques. At present, however, in line with the widespread use of World Wide Web there is a boom in the use of online auctions for mass consumption goods and services - this is an example of the popularity of eBay.



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The main categories of business models are:

1.7.1 Brokerage

In this business model we have the participation of a broker who receives a fee as a commission for transactions realized with his participation. The role of the broker is to bring buyers and sellers together and facilitate transactions between them. Brokerage model has several sub-types depending on the role of the broker and customer specifics. Examples of this model are Amazon.com (virtual market), Moneybookers and PayPal (in the role of intermediaries in financial transactions), eBay (online auctions), etc.

1.7.2 Advertising

In the ad business model web advertising continues the role of the traditional media. This model is appropriate for websites that generate high traffic and are visited daily by many people. This business model includes specialized web portals (e.g. Yahoo!), Paid internet advertisements, paid placement search engines, content-oriented advertising to target groups (e.g. Google), etc.

1.7.3 Infomediary

This business model collects data on the habits and preferences of the consumers. The information is carefully analyzed and used as a base for creating marketing campaigns. An example is DoubleClick.

1.7.4 Merchant

This business model includes wholesalers and retailers that offer goods or services. The price may be fixed or determined through auctions. Examples - Barnes & Noble, Amazon and others.

1.7.5 Direct (manufacturer)

The direct or manufacturers' model allows the producer of the goods or services to reach final customers via the Internet. This direct approach allows for cost reduction, increased efficiency, better understanding of client needs and last but not least better service. This includes all manufacturers with their own Web site allowing online shopping, for example. La Redoute or Aboca.it



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1.7.6 Affiliate

Unlike generalized advertising approach, which aims to draw large amounts of Internet traffic to a website this business model uses affiliated partner sites, which provide a percentage of revenue in exchange for direct link to the vendor's online store. What is interesting in this model is that the affiliated sites only receive a percentage of the revenue only if the buyer has used the hosted corresponding links. To this model belongs the exchange of banners and Pay-per-click system which pay for each click.

1.7.7 Community

The community model relies on voluntary contributions based on customer loyalty. This business model includes open-source development, open contents, social networks, etc. The emphasis in this case rests on the voluntary work.

1.7.8 Subscription

As implied by its name in this business model a subscription fee is paid for a service for a specified period.

1.7.9 Utility

This model is based on measuring the benefit of a service. Unlike subscription, here the customer pays for the really used service. Examples include a number of everyday utilities - telephone, electricity, water, etc., as well as more specific services such as satellite internet, internet via mobile phones and others.

1.8 Advantages of e-business

The main advantages of e-business are:

- Global presence - this is perhaps the biggest advantage of e-business. Online technology enables each company national and international representation and access to customer services and products to be significantly facilitated and be available anytime and from anywhere in the world.
- Reduced costs – digitization of documents and optimization of business processes realizes significant cost cuts. In addition to the reduction of the administrative costs the



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costs of transport, control, communications are also reduced. All this saves the firms not only money but time as well.

- Better business contacts – the communication with business partners is facilitated, advertising and marketing solutions are much more flexible and are not limited in certain space and time.
- Better customer service - offering online services not only one-way client-company, and allowing customer feedback and monitoring of consumer behavior (unique visits, clicks), and even aid in real time by so-called "live chat".
- Streamlining the processes - achieving greater predictability and simplification of processes by minimizing the human factor.
- Easier communication - new information and communication technologies offer cheap, fast and very effective ways to communicate with business partners, customers and especially within the company.
- Better control - digital documents provide better traceability, easy access by many users in a secure archive and better reporting activities.
- Good awareness in the whole chain - each link of the company received timely instructions about their tasks, and resolving problems and adjusting details is extremely easy through online conference meetings. This mostly applies to the larger corporations that have branches in different places and the standard face to face communication would be very inefficient and cumbersome.

1.9 Disadvantages of e-business

Among the potential disadvantages of e-business can be listed:

- Limited use in some sectors - unfortunately there are certain naturally occurring limits to the application of e-business. In some cases, the e-business potential cannot be reached or there is simply no electronic application - example is the online sale of perishable products, which is very difficult to be practical and economically justified.
- In some cases a fundamental restructuring of the business is required - there are cases where the restructuring of the ordinary into electronic one is accompanied by a number of complex changes, the development of entirely new technologies, practices and methods of work and sometimes it may be associated with higher costs .



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- Reluctance of some older employees and clients to work with new technologies - this is somewhat based on the habits acquired in the past and lack of motivation for change, but also because of embarrassment or fear of failure with new technologies.
- Concerns about security - generally most people have some concerns about security when conducting business over the Internet. The anxiety is mostly directed towards the security of personal data and confidential company information.

1.10 Future

It is clear that the benefits of e-business substantially outweigh its shortcomings and inevitably sooner or later each company will be asked to change its way of functioning and introduce new electronic business practices. Together with the ubiquitous development of new technologies, a similar step towards e-business could mean maintaining the competitiveness of a company and increase its survival chance and success. The worldwide prevalence of Internet and its penetration into all spheres of economic activities and in everyday life shows that it has become a truly "global" connection between people and will offer still undiscovered business opportunities. The growth at ever greater speed of wireless and mobile e-business should not be underestimated. The future of e-business however is most likely to focus on the so-called cloud computing and the increasing mobility of consumers and businesses.

Additional information / examples:

Cloud computing - http://en.wikipedia.org/wiki/Cloud_computing

Mobile e-business - <http://www.ocf.berkeley.edu/~cwlee/definition.html>



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Annex 1

A Quick Guide to E-Business

8 Easy Steps to Profitable Online Business

- Step 1 - Decide on a business model
- Step 2 – Finding your niche market
- Step 3 - Keyword research
- Step 4 – Setting up your website
- Step 5 – Find a killing product
- Step 6 – Build a list
- Step 7 – Drive traffic
- Step 8 - Repeat and build more websites

Step #1

Decide on a business model: Choosing a business model that suits you

It is important to stick to just one model to start your business. Newbie is usually faced with information overload. Many Internet Marketers are using different ways to make money online and you will get confused and information overload. My advice is find one model that suits you, stick to one and be good at doing it.

2 Profitable Online Business Models

Information Sites

Sites which provide something extremely valuable for free can often take their traffic counters into the thousands literally overnight... then they can start charging people for placing banners and other types of advertising on their site, sell other peoples products through affiliate programs, or, even sell the site for a fat profit. You can find blogger on blogs such as problogger.com stevepavlina.com earning thousands of dollar a month just by providing valuable information.

Advantages: You never have to pay to advertise this site. If your free service is extremely valuable and unique, word of mouth and press releases will be all of the marketing you need for it.

Disadvantages: The hard part is coming up with the winning idea. And you have to build up traffic before you see any income. It will cost you at least a couple of months.



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These sites don't sell anything, at least on the surface, right at the sites. No shopping cart, no "Order Now" button. All you will find there is free information or services. Normally, lots of information and valuable services.

This type of business could be created in any niche market or area of interest. You could create a theme site or Internet hub in gardening, motorcycles, dolls, puppies, etc. Anything that you have as an interest or hobby could usually be turned into a theme for your web site.

The key to this type of business is to become the place that everyone wants to go in your area of interest. In other words, you would want to be a portal or starting point for people searching for information or products on your subject.

Then, start searching for products they are interested in. Pick up magazines and search through the ads for potential products you could sell online. Offer to joint venture with the owners of these products and endorse them to your visitors.

Search for products online they may be interested in. Sign up for the sites' affiliate programs and market the products to your visitors.

You can charge other businesses for advertising at your site as well.

In other words, design a site that is the only one they need to visit online in your subject. Once your traffic soars, so will your profits. If you can attract millions of visitors to your site, you will absolutely make a comfortable living on the Internet!

Sales Sites

Now comes to the easier way: **direct sale sites**.

A direct sale site is where you sell products right at the site. You have to develop a product by yourself, own the resell right to it or selling affiliate products.

The most obvious example is online stores.

Another exciting trend in this category is mini sites with several simple pages selling a single product. More and more online info products sellers are using this method to market niche products.

With direct sale sites you can target at a niche market and make money even with a couple of visitors per day. The key to the success of direct sale sites is to figure out a niche market and sell the right products to it.

Advantages: Once established the right way, you can put these site to run autopilot.

Disadvantages: You may need to spend advertising money to bring in traffic.



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Step #2

Finding your Niche Market: Where to find the hungry market

What is a niche market?

A niche market is a focused, targetable portion of a market. You can't sell to the whole world! The market is too big, too wide, too general and too many competition.

The Ideal Niche Market should be:

1. You already have a lot of knowledge of that market.

While you can succeed in a market by learning about it while marketing to it, it is very difficult and will slow you down greatly. An "ideal" market will be one that you are already an expert in.

2. There is some good competition in the market.

If there is no competition then there is most likely no demand (99.99999% of the time). That means you will have a very hard time even getting the attention of those in that market.

3. The market is not too large.

If your market includes every North American, or every male, or every golf player, then it is probably too large. You need to make it small enough so that the really big companies will not even bother.

Later on once you have "conquered" that market you can expand into others, eventually growing into a multi-million dollar organization.

4. The market is not too small.

Make sure there are enough people in the market to sustain your efforts!

If you are marketing to left-handed red-headed women golfers who have problems with using their sand wedge you are probably thinking too small!

5. You should have PASSION for the market.

You must have a passion for the market you are going into. When you show passion others that you are marketing to will feel that and will trust you far easier.



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A market of your passion also means that you should know where this group of people will go to look for the information or products that they want. These means it is easier for you to target them and also means you will not be running out of topics to write about.

Once you pick a targeted market, you need to take time to find out what is it that they are looking for.

The way to do this type of market research for free is to read in forums and newsgroups. You won't even have to be involved in the discussion. Just pay attention to the posts people make on what types of things they want.

Then, when you see that something keeps coming up time and time again, you've got it. That's the product a reachable niche market want. (You should have a solution if you love this subject. Or, at least you enjoy surfing around for the answer.)

Then give them what they want by developing or finding it.

Step #3

Keyword Research: The importance of keyword research

Keyword research is enormously important for ranking a site higher in the search engine. One can never underestimate the power of having the right keywords to drive traffic to ones website. It can often mean the difference between success and failure. The best keywords are usually the right combination of words to create a phrase. And this is usually the term people search most often. Why is having the right set of keywords crucial? Because it is what is going to determine the influx of targeted traffic to your website. Therefore it increases chances of sales and also better search engine ranking.

There are some keywords research tools that you can use for your research such as:

- [Google Keyword Suggestion Tool](#)
- [WordTracker](#)
- [Keyword Elite](#)

Google Keyword suggestion tool can give you keywords, related to your website (if you select the appropriate tab) and offers you a wide selection of phrases real people have typed in.

WordTracker gives you a list of keyword phrases with your keyword and also give you some estimation of their popularity. You can purchase a monthly subscription for about \$30-50 to get full access to their data.



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Keyword Elite generate massive keyword research lists AND show you how websites are ranking high in the search engines. The beauty of the Keyword Elite is that it runs faster than ANY other keyword research tool. It can use without any huge learning curve to get their heads around.

Step #4

Setting up your website: How to build your website

Register a Domain name

The domain name is the address of your web site on the Internet. By having a domain name will gain a lot of respect from your visitors and potential customers. Having your own domain name indicates you are a serious Internet player. Would you buy anything from someone who can't afford a domain name?

Once you register a domain name, it's yours, as long as you pay the annual fee. That name goes with you – wherever you host it.

A good name should describe exactly what the site is about so that surfers can easily make a decision when they see your site name at search engines. Having a keyword-rich name is also much easier to get higher positions at search engines.

Get a Reliable Hosting Service Provider

So, you've registered your own domain name and now it's time to pick a hosting service. Most hosting companies provide a range of services, starting with low-budget packages and moving up to more advanced, expensive features. Obviously, when you pick a hosting plan, you need to make sure it provides enough disk space for your site at a price within your budget.

[HostGator](#) offers amazing value for the money combined with some of the most feature rich hosting packages available. No matter is your new to web hosting or just tired of poor quality hosts HostGator will be more the adequate to fulfill your needs and more then likely surpass your expectations.

Step #5

Find a killer product: Where to find products

Sell Affiliate Products



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You can find tons of digital products on popular affiliate directory such as [associatedprograms](#), [clickbank](#) and [commission junction](#). Go to these sites and register yourself with them and you will receive your affiliate ID link. Whoever click on your affiliate link will be directed to the affiliate website and if a sale is made, you will earn a percentage of the sales. Some commission can be as high as 75%.

Note that you are NOT going to promote all the products listed that. Many newbies make this mistake, they go to these directories and they are so overwhelm by the number of products and they attempt to sell all the products.

It is recommended that you find atleast 5 products RELATED to your niche market. Remember, you are not going to sell to the whole world. Find 5 products that suit your niche market and FOCUS on promoting them to your market.

You have to focus all your marketing effort on promoting the top 5 products of your choice to your targeted market to see results. Without focus, you will not see the results that you wanted.

Creating Own Products

Being a member of an affiliate program is a good business to be involved with. It can earn you a lot of money online. It can also let you do some market testing before developing your own products or services. Start by promoting affiliate products and see which one is most popular.

Overtime you might want to develop similar product of your own. There are a lot of products that you can create, ranging from digital ebook to software or you can also create services.

Alternatively, you can buy the resell right of a quality product and offer it at your site.

Step #6

Build a list: The importance of building a list

I want to impress upon you how important it is for you to focus on building your list. Your list is the life-blood of your business. Without it you will spend more time generating traffic than you will making money.

Think of it this way – do you want to work extremely hard to get somebody to buy your product, and then do that over and over again?

Or would you rather work extremely hard to get somebody on your list, and then sell them multiple products?



The truth is, more than 95% of visitors will not buy on their first visit to your web site. In order to make money online, you have to keep in mind of this: Real Money Comes From your email List.

Many people believe that their main marketing tool is their web site. In fact, your main marketing tool is your opt-in mailing list. A web site is just a way of building your mailing list – by collecting the email addresses of your visitors.

Your first goal with any visitor MUST be to get them on your email list

Whether you are running affiliate sites, Adsense sites, product sites, or any other type of site, your first goal should be to get visitors to subscribe to your email list.

The easiest way to manage a mailing list is to use an online service. You don't have to install any script or learn the technical stuff. All you have to do is signing up for an account and inserting several lines of html code into your subscription pages. Everything can be then nicely done via your web browser.

You can log into your account and view subscribers, add subscribers manually, export or download subscribers list, and of course, send messages. Autoresponder such as [Aweber Autoresponder](#) offers feature-packed sequential autoresponders and mailing list management with reasonable monthly payment plans.

Step #7

Drive Traffic: Ways to drive traffic

Pay per click methodology

The first source of traffic is my least favorite, but is usually the best when you are just starting. It is Pay-Per-Click (PPC). The name says it all – you pay for every click-through to your website.

The biggest providers of this service are [Google](#) and [Yahoo](#).

If used correctly, it could bring you huge amount of traffic in a short time. However, there are also many people who can spend a lot of money on pay per click but not getting the results they wanted. The cost per lead for this method can be high if used wrongly.

Article marketing



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Article marketing is an effective form of driving traffic to your website. The trick to article marketing is the resource box of the article. You can put your author name and website link so that the reader can click on your link and find you.

There are many article directories on the web. The major ones like ezinearticles.com can bring you lots of traffic if you do it right. You need to put in some effort to consistently submit at least 1-2 articles related to your niche and submit to as many articles as you can. That way, you have cast your net all over the web and make sure your target market can find you.

Social media and social bookmarking sites

Many online communities have formed because of the ease of communication on the Internet. Social media such as MySpace, Facebook and Youtube has quickly become the fastest growing network online. Some of these social media sites receive thousands of visitors every day, some even more than that. You can tap into this immense amount of traffic in such a way that greatly benefits your business.

Another way you can drive traffic is through social booking sites such as digg.com and stumbleupon.com. If you submit useful information that will benefit the communities, it can bring in huge amount of traffic to your sites in no time.

Search engine placement

Search engines keep changing their ranking algorithms to serve their clients better (and to keep us from catching up with them as well), it becomes almost a full-time job just to figure out which techniques work on which engines today

The first step in search engine placement is to pick the right keywords that people will be searching for. Just as when you identify your niche market, don't try to be everything to everyone. Focus on 5-8 words for each page.

Search engines, especially Google, place high emphasis on links to your site in assigning a good ranking. Simply put, other things remaining the same, more inbound links means higher ranking.

What is important is not only the number of links to your site, but also the types of sites which are linking to you. A link from a site which is related to yours is more valuable than a link from an unrelated site.

Forum and newsgroup

One of my favorite online marketing vehicles is to participate in targeted newsgroups and forums on my subject.



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Once you have a good web site with high quality content in place, you start visiting the newsgroups and forums regularly and then after you know your way around it, you should start answering questions and becoming an all around helpful individual.

You will be able to build up relationships in these newsgroups and forums, and build up your traffic at the same time without having to spend a penny.

Do NOT post direct ads in newsgroups or forums or you will be banned. You should focus on giving good advice and make reference to your website.

Get involved in the conversations, post honest and useful opinions, be consistent, and become a trusted information source, or at least an online friend to other members. Interestingly enough, people are so curious that they want to know who you are as long as you give something helpful.

Step #8

Repeat and build more websites: Build multiple stream of income

Repeat process of driving traffic

Setup another website

Repeat process of driving traffic....

Setup another website

It can go on and on. The important thing for you to do is get it started. Once you get it started, keep learning, keep improving. Then repeat the process again and again until you are satisfied with the income. Assuming that you are looking to earn \$3000 per month. If one website can bring you \$100 per month, then all you need is to build 30 such websites and make sure they earn you \$100 each month.

Conclusion

Earning money on the web is not as difficult if you know the process. This starter kit has provided you just with the necessary information and the basic tools that can help you kickstart your e-business.



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For more resources on e-business go to:

<http://www.beginner-internet-business.com/>