

## 10.3: Types of eCommerce

Electronic Commerce, or eCommerce, is defined as the buying and selling of products and services, including funds and data, electronically. eCommerce can be divided into 4 main types.

### Business to consumer B2C

The most common type of eCommerce is **business to consumer (B2C)**, in which a business sells products or services directly to consumers over the Internet. All retail sites are essentially B2C, with amazon.com as the prime example, due to it being the world's largest online retailer.



Figure 10.3.1: The amazon.com homepage is an example of B2C eCommerce *Adapted From Screenshot, Amazon, 2017*

The benefits of eCommerce include the ability for retailers to have a wide variety of products available without needing the physical retail space to hold and display items. The procurement and distribution processes are also streamlined as products are shipped directly to consumers, and not via distributors or retail outlets in between. The process has fewer overheads, and is more efficient in terms of time and money, reducing inventory management costs, and ultimately being able to deliver products to the customer at less cost than retail in-store outlets.

### Business to business

B2B Another type of eCommerce is **business to business (B2B)**, which describes online transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. It can also include business related services, such as letting of commercial spaces, printing services, outsourced marketing, hiring and selling of office equipment, and so on.

Like B2C, the same benefits of lowered inventory management costs and a more streamlined procurement and distribution process, make eCommerce an efficient and attractive model for companies selling to other businesses.

### Consumer to consumer C2C

**Consumer to consumer (C2C)** eCommerce is where consumers sell products to other consumers. Generally, a C2C business provides the platform for various users to use it to interact with each other for mutual benefit. A recent large-scale C2C eCommerce example is Uber. The business simply provides a transactional platform where consumers offer other consumers a lifting service based on location and cost preference. eBay is another globally recognised C2C online business. Sellers can list their products on eBay and interested buyers auction for it. Similar sites such as Airbnb, Gumtree and Craigslist are all C2C eCommerce platforms.

In C2C eCommerce, consumers either pay a fee to use the platform or the platform takes a percentage of all transactions processed through the site. If the platform is free to all consumers to buy and sell, then the site often generates its revenue through advertising.



Figure 10.3.2: Airbnb is a platform that facilitates C2C services *Adapted From Screenshot, Airbnb, 2017*

### Consumer to business C2B

**Consumer to business (C2B)** eCommerce involves consumers selling products or services to businesses and the business pays the consumer. Examples of this include Guru.com, a freelancer hiring website and websites that pay individuals for completing online

surveys.

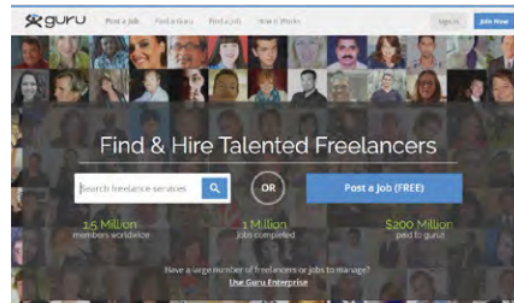


Figure 10.3.3: The guru.com homepage Adapted From Screenshot, The guru.com, 2017

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