



## Fact Sheet

# E-Commerce - Business to Consumer (B2C) & Business to Business (B2B)

July 2007

**Do you believe that only the Amazons and eBays of the World Wide Web can effectively sell online to consumers? Do you think it wouldn't be worthwhile for your firm to get involved?**

**Or do you believe that because you sell to other firms, that your web site is only really useful as a marketing route?**

**Our E-Business Advisers give you some statistics that help to debunk some myths:**

### 1. What are the statistics?

- There were about 934 million Internet users worldwide in 2004, about 1.07 Billion by 2005.

Of these, about 29% speak English as their main language. (Source: Computer Industry Almanac).

- In 2005 there were 37.6 Million Internet users in the UK - 24.80 Million of them regular users (Source: CIA's World Factbook)
- In 2005 there were 205.33 million users in the USA, 50.62 million in Germany, 29.95 million in France and 10.81 million in The Netherlands. (Source: CIA's World Factbook)
- More than a half of online UK households now have a broadband connection - making web browsing much quicker, and encouraging more usage of the web. (Source: IMRG)
- 16 Million UK consumers have bought something online. (Source: IMRG)

- £50 billion worth of goods have been bought online by British shoppers since April 2000. (Source: IMRG)
- Online sales B2C (Business to Consumer) in the UK are growing by 40% per annum (Source: Forrester Research)
- However - worldwide, Business to Business (B2B) e-commerce massively outstrips the more visible B2C anyway - an estimated 87% of e-commerce spend was B2B in 2004. (Source: eMarketer)
- Goldman Sachs' estimate of the total value of e-commerce in 2004 was \$3.48 Trillion - which is \$3.48 Million Million!!.
- And these figures, although the latest available, are a few years out of date...

### 2. But we're a small firm.....

As a small firm, you've actually got some advantages:

- In the B2C marketplace, you can satisfy niches that the larger players would find difficult or uneconomic to service, and that consumers would find difficult to get hold of in conventional shops.

For example, recent clients of the authors include an Indian Ayurvedic health products retailer, a firm which sells model trains sets for the garden, and another selling downloadable murder mystery games for dinner parties!



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- You can sell nationally or globally - a large proportion of sales for the downloadable murder mystery games firm is actually to the USA - which would be impossible for a small firm to service in any other way.

They've also had orders from the Far East - and even from people based on North Sea oil rigs!

- You can create a site yourselves at relatively low cost - there are several low cost entry routes - e.g. from creating an eBay shop, to offerings from BT (Internet Trader Pack-SHOP at around £20 per month), to Equology's Extend e-commerce shop at around £40 per month. (See "Useful Links" below)
- If you're involved in working in the B2B sector, you can gain competitive advantage by using e-commerce with your business customers.

One example is a firm that sells downloadable musical backing tracks for videos, which were able to sell a jazz and blues piece to a client firm in New Orleans in the USA.

If your product is downloadable - e.g. music or information of some type - your online business could be doing business whilst you're asleep.

Another, perhaps more mundane, example is a firm which packs and distributes potatoes for two of the major UK supermarket chains.

A web site with a special passworded area allows buyers from the chains to call off orders directly, arrange delivery times within a set framework, as well as arrange payment to the supplier.

The other major advantage for the firm is that it

helps tie the two supermarket chains to them, in what is an incredibly competitive market place.

There are many other examples of how e-commerce can tie into your business processes, irrespective of what you sell.

### 3. How can I find out more?

In the East Midlands, a very successful series of practical and non-technical workshops is run under the "First Steps" banner.

To see how your firm could benefit from selling online - (either B2C or B2B), a senior staff member should attend the "Selling on the Internet" workshop.

These are free to attend, run across the East Midlands, and last half a day.

Companies that are:

- Interested in taking their existing business online
- Setting up an e-commerce venture
- Looking for ways to take secure payments online
- Seeking advice on best practice in e-commerce

should definitely attend.

You can book online - address in "Useful Links" below

**You should also talk to 360e Ltd - our contact details are on our web site.**



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### 4. Useful Links

[www.ebusinessclub.biz](http://www.ebusinessclub.biz) -  
Provides link to book online onto one of the  
“Selling on the Internet” free workshops

[www.nua.ie](http://www.nua.ie) -  
Provides invaluable resources regarding Internet  
usage

[www.imrg.org](http://www.imrg.org) -  
Industry body for e-retailing