

# E-business

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# Class Website

**[www.vivaafrika.info](http://www.vivaafrika.info)**



- **Primary Text:**

*E-business and E-commerce Management*, 4<sup>th</sup> Edition,  
© Marketing Insights Limited 2009  
Dave Chaffey

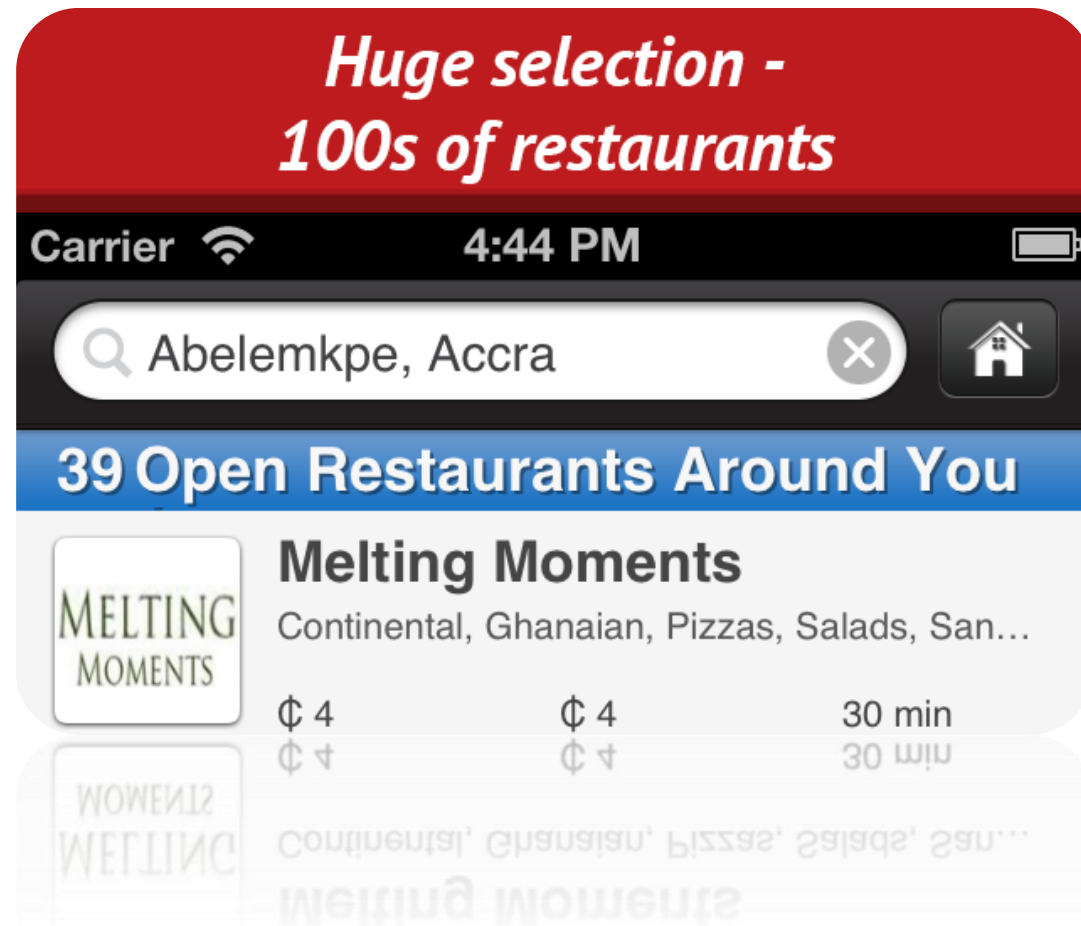
**SUPPORTING TEXT:**

Laudon, K. C. and Laudon, J. P. (2012/2013)  
*Management Information Systems: Managing the Digital Firm*. 12<sup>th</sup>/13<sup>th</sup>/14<sup>th</sup> Edition, Pearson Education Inc.,  
Upper Saddle River, NJ 07458.

# Chapters 1 and 2

Introduction to  
e-business and  
e-commerce

E-commerce  
fundamentals



Shop All Departments 

Search

Shoes & Accessories

Brands

Bestsellers

Women's Shoes

Men's Shoes

Children's Shoes

Athletic & Outdoor Shoes

## Dune Women's Alexi Flat

Dune

[Be the first to review this item](#)  Like (0)

RRP: ~~£85.00~~

Price: **£25.50** & this item **Delivered FREE in the UK** with

[See details and conditions](#)

You Save: **£59.50 (70%)**

Size:

Select 

[Sizing info](#)

Colour: **Natural**



# Nike ID – [www.nikeid.com](http://www.nikeid.com)

**Tip and Heel** ✕

Choose a material

**Full-Grain Leather** ▾

Choose a color

■ ■ ■ ■ ■ ■ ■ ■ ■



Nike Air Mogan ID Shoe  
\$105.00

DESIGN PROGRESS  
  
10/10 Close ▾

Color

Tip and Heel

Base

Collar

Swoosh

Accent

Lining

Lace


Midsole

Size —

**Add To Cart**

Share

Save

More Views 



- **Electronic Commerce:** Sharing business information, managing business relationships and facilitating transactions with Internet technology. (linking buyers and sellers).
- **Electronic Business:** Executing all the firm's business processes with Internet technology. (sales, finance, human resources, manufacturing)



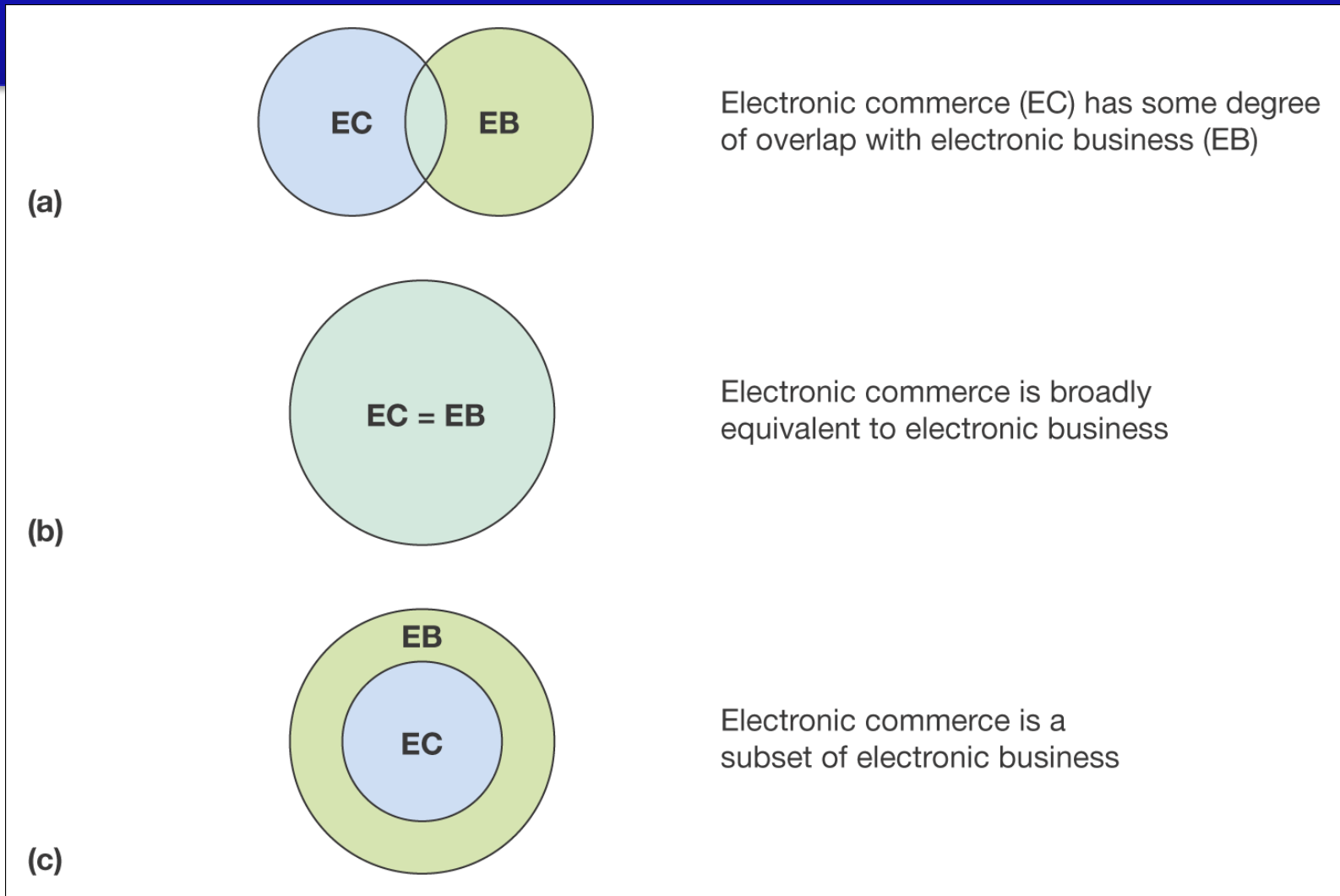


Figure 1.3 Three definitions of the relationship between e-commerce and e-business



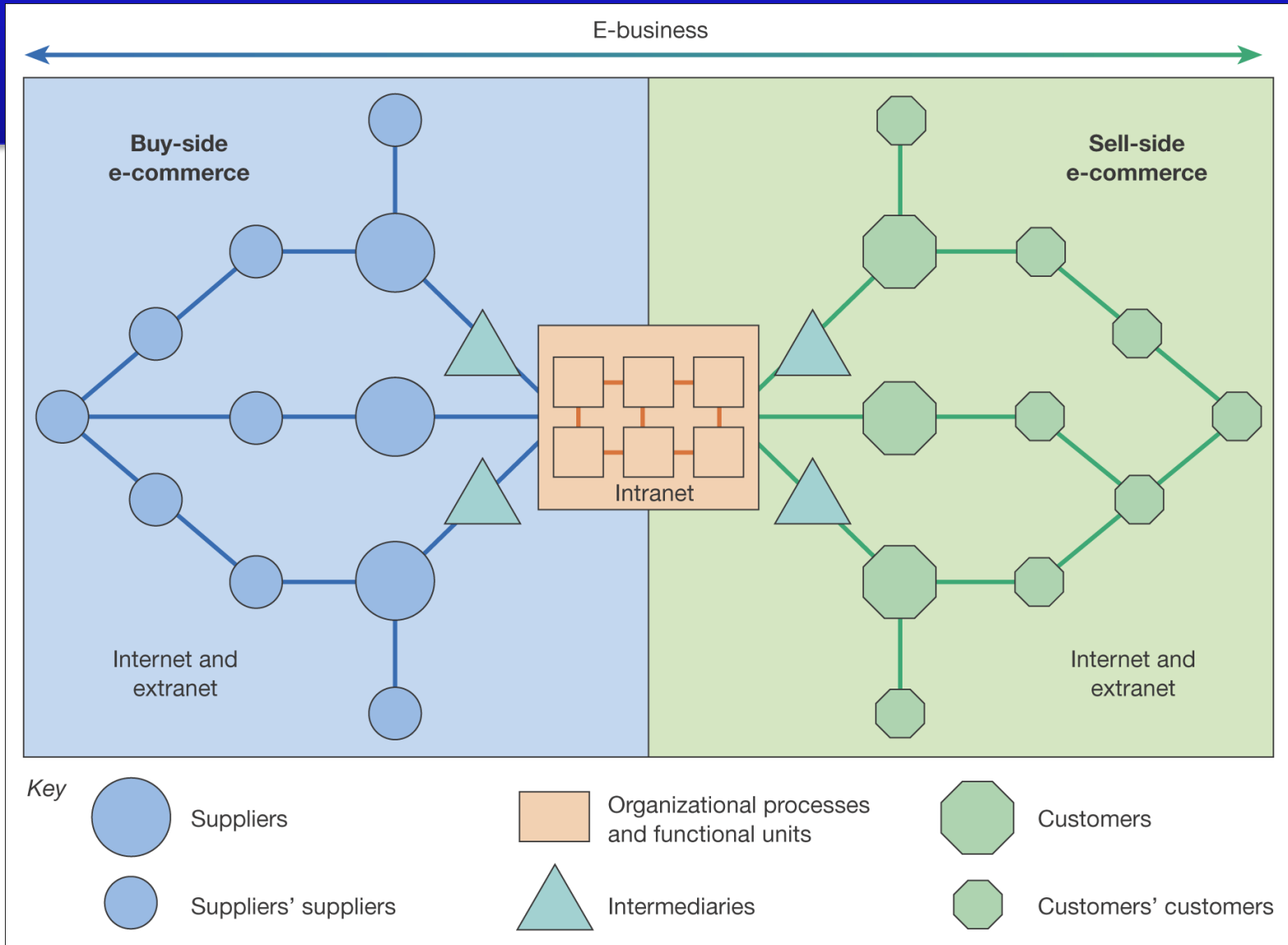


Figure 1.2 The distinction between buy-side and sell-side e-commerce

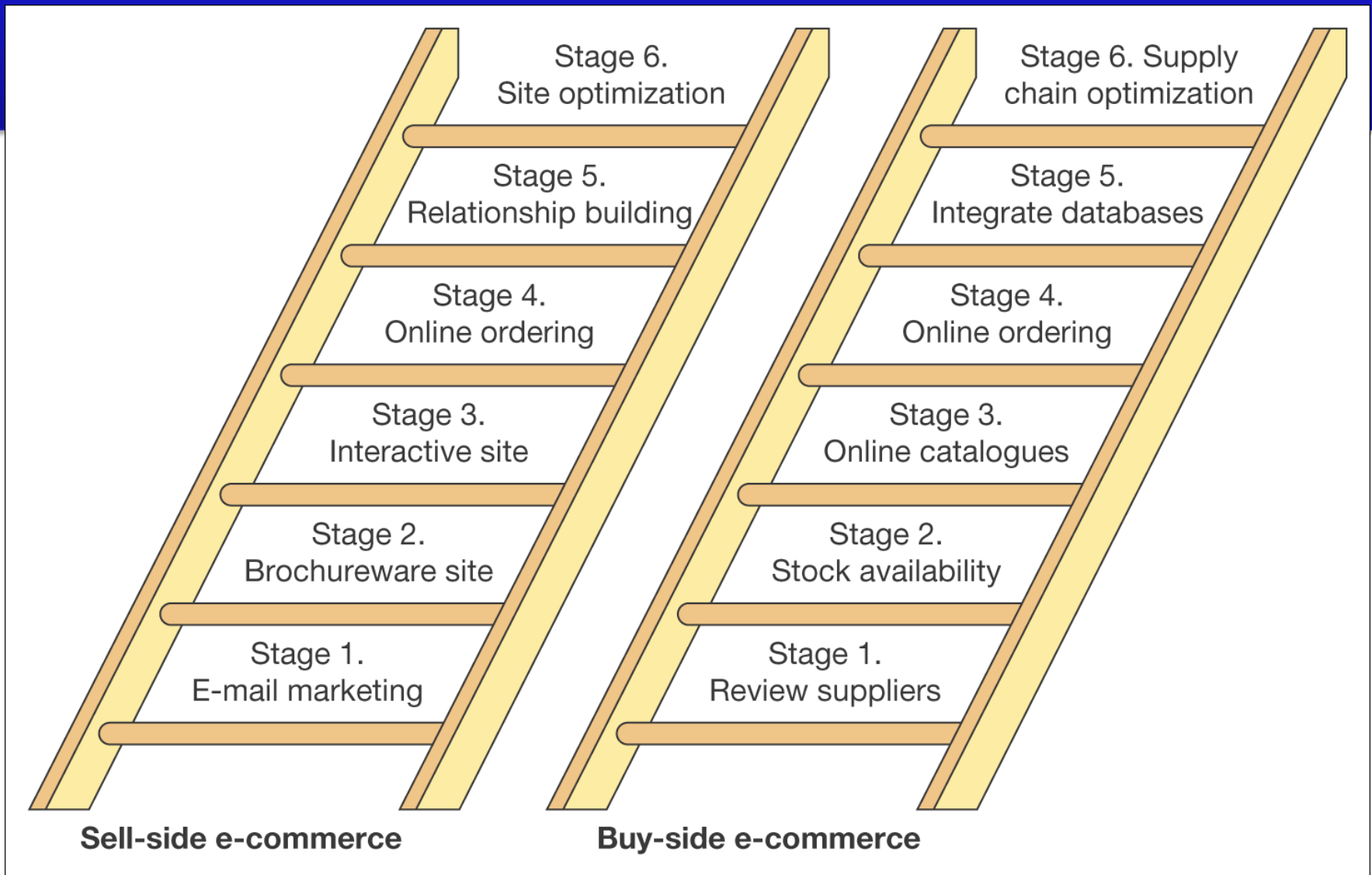


Figure 1.13 A simple stage model for buy-side and sell-side e-commerce



# E-BUSINESS MODELS

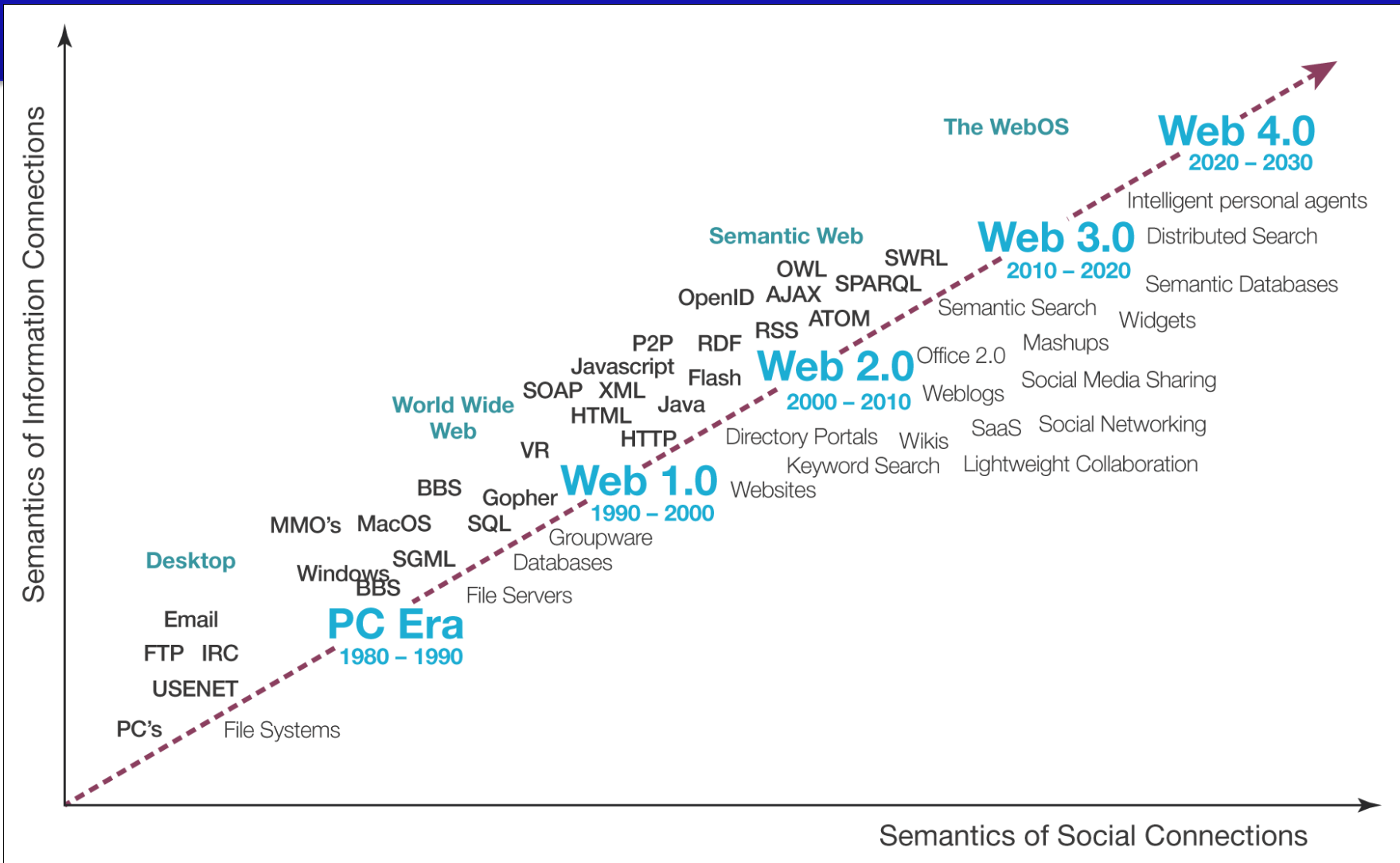


Figure 1.7 Evolution of web technologies

Source: Adapted from Spivack (2007)

# Business model

Timmers (1999) defines a 'business model' as:

*An architecture for product, service and information flows, including a description of the various business actors and their roles; and a description of the potential benefits for the various business actors; and a description of the sources of revenue.*

# E-business Revenue Models

- A revenue model specifies how the firm intends to make money
  - **Pay for service:** The firm offers a product or a service for sale
  - **Subscription:** Customers pay for the right to access the content
  - **Advertisement support:** The firm makes its content or service free for a large audience and sells access to its audience to interested advertisers
  - **Affiliate:** The firm generates revenue from a third-party based on traffic it send to the partner web site.
  - **Freemium:** The firm gives away its product or service for free, and attempts to build a large customer base by reducing the obstacle created by the payment

# E-business Models

## 1. Social Network

- Online meeting place
- **Social shopping sites**
- Can provide ways for corporate clients to target customers through banner ads and pop-up ads



## 2. Online marketplace:

- Provides a digital environment where buyers and sellers can meet, search for products, display products, and establish prices for those products.



# E-business Models

## 3. Content provider

- Providing digital content, such as digital news, music, photos, or video, over the Web – yahoo,

## 4. Service provider

- Provides Web 2.0 applications such as photo sharing and interactive maps, and services such as data storage - google maps, flickr,

## 5. Portal

- “Supersite” that provides comprehensive entry point for huge array of resources and services on the Internet – yahoo

## 6. Blogs

- Personal web pages that contain series of chronological entries by author and links to related Web pages – wordpress.com



**Search**

Tuesday, August 14, 2012

**SIGN IN** New here? Sign Up **MAIL** Check en

### YAHOO! SITES

- Autos
- Dating
- Finance (Dow ↓)
- Flickr
- Games
- Horoscopes
- Jobs
- Mail
- Messenger
- Movies
- Music
- My Yahoo!
- News
- omg!
- Real Estate



## Woman, son's \$2 mil cross-country toy heist

A duo is accused of hitting 139 Toys 'R' Us stores in 27 states with an elaborate scam. **How they did it >>**

- Empanadas con cocaine
- Massive university theft
- Cops on social media



Four Olympians missing



Woman, son's toy heist



Alleged new Xbox on eBay

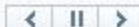


'Fast Times' cast then, now



River 'corpse' causes scene

1 - 5 of 65



**Get in the Game: Fantasy Football 2012**



### TRENDING NOW

Watch the show x

- |                      |                     |
|----------------------|---------------------|
| 01 iPhone 5          | 06 Evelyn Lozada    |
| 02 Women-only city   | 07 Fatboy Slim      |
| 03 Red Dawn          | 08 3D laptop        |
| 04 Johnny Pesky dies | 09 Fidel Castro     |
| 05 Jessie J          | 10 Snoring children |

AdChoices

**Find your perfect car.**

**YAHOO! AUTOS**  
start Shopping

# E-business Models

Yahoo makes its money selling online ads.

Yahoo's reach is enormous: 600 million unique visitors a month.

**Google is doing great right now, Yahoo is not.**

If Yahoo is in some kind of a problem today, it's because they have tried to wear other people's clothes that were mostly falling down their ankles. **Yahoo wanted to be many things, from Media Company to Myspace. Lack of focus and direction made them languish.**

Google on other hand has worked towards being a knowledge-based company and not just search. This does not mean they have not done anything wrong or failed, but they have a permission-to-fail policy.

# E-business Models

## 7. Virtual storefront:

- Sells physical products directly to consumers or to individual businesses – prada.com, best buy

## 8. Information broker:


- Provides product, pricing, and availability information to individuals and businesses – kbb.com, pricerunner.co.uk, nexttag.com

## 9. Transaction broker:

- Saves users money and time by processing online sales transactions and generating a fee for each transaction – expedia.com, etrade.com


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Why Choose E\*TRADE

Get Quotes	GO	DOW 13169.43 -38.52 (-0.29%)	NASDAQ 3022.52 0.00 (0.00%)	S & P 500 1404.11 -1.76 (-0.13%)	10 YR. T-NOTE 1.654% +0.05	8/13/2012 4:04 PM EDT Closing Price
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SHOW MARKETS

Get Up to \$500 Plus 60 Days of Free Trades for deposits



How much do you have to invest?



Low Pricing & Extraordinary Value

\$999

# Types of E-business

- **Business-to-consumer (B2C)**
- **Business-to-business (B2B)**
- **Consumer-to-consumer (C2C)**
- **Government-to-citizen (G2C)**
- **Government-to-government (G2G)**
- **Government-to-business (G2B)**
- **Mobile commerce (m-commerce)**

		From: Supplier of content/service		
		Consumer or citizen	Business (organization)	Government
To: Consumer of content/service	Consumer or citizen	<b>Consumer-to-Consumer (C2C)</b> <ul style="list-style-type: none"> <li>• eBay</li> <li>• Peer-to-Peer (Skype)</li> <li>• Blogs and communities</li> <li>• Product recommendations</li> <li>• Social networks: MySpace, Bebo</li> </ul>	<b>Business-to-Consumer (B2C)</b> <ul style="list-style-type: none"> <li>• Transactional: Amazon</li> <li>• Relationship-building: BP</li> <li>• Brand-building: Unilever</li> <li>• Media owner – News Corp</li> <li>• Comparison intermediary: Kelkoo, Pricerunner</li> </ul>	<b>Government-to-Consumer (G2C)</b> <ul style="list-style-type: none"> <li>• National government transactional: Tax – inland revenue</li> <li>• National government information</li> <li>• Local government services</li> </ul>
	Business (organization)	<b>Consumer-to-Business (C2B)</b> <ul style="list-style-type: none"> <li>• Priceline</li> <li>• Consumer-feedback, communities or campaigns</li> </ul>	<b>Business-to-Business (B2B)</b> <ul style="list-style-type: none"> <li>• Transactional: Eurooffice</li> <li>• Relationship-building: BP</li> <li>• Media Owned: Emap business publications</li> <li>• B2B marketplaces: EC21</li> </ul>	<b>Government-to-Business (G2B)</b> <ul style="list-style-type: none"> <li>• Government services and transactions: tax</li> <li>• Legal regulations</li> </ul>
	Government	<b>Consumer-to-Government (C2G)</b> <ul style="list-style-type: none"> <li>• Feedback to government through pressure group or individual sites</li> </ul>	<b>Business-to-Government (B2G)</b> <ul style="list-style-type: none"> <li>• Feedback to government businesses and non-governmental organizations</li> </ul>	<b>Government-to-Government (G2G)</b> <ul style="list-style-type: none"> <li>• Inter-government services</li> <li>• Exchange of information</li> </ul>

Figure 1.8 Summary and examples of transaction alternatives between businesses, consumers and governmental organizations

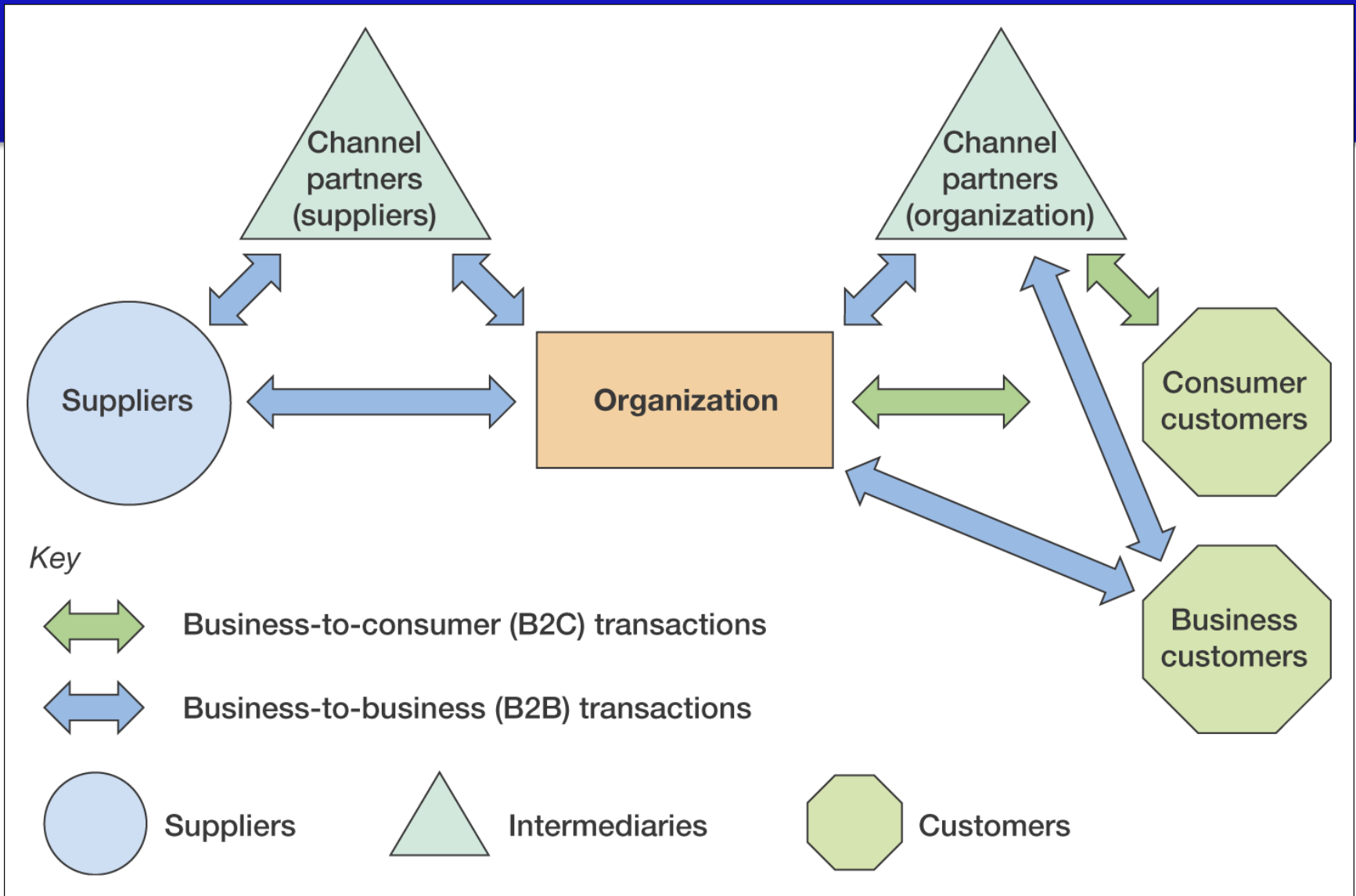


Figure 2.5 B2B and B2C interactions between an organization, its suppliers and its customers

# B2B and B2C characteristics

Characteristic	B2C	B2B
<b>Proportion of adopters with access</b>	Low to medium	High to very high
<b>Complexity of buying decisions</b>	Relatively simple – individual and influencers	More complex – buying process involves users, specifiers, buyers, etc.
<b>Channel</b>	Relatively simple – direct or from retailer	More complex, direct or via wholesaler, agent or distributor
<b>Purchasing characteristics</b>	Low value, high volume or high value, low volume. May be high involvement	Similar volume/value. May be high Involvement. Repeat orders (rebuys) more common
<b>Product characteristic</b>	Often standardized items	Standardized items or bespoke for Sale



Figure 2.6 Disintermediation of a consumer distribution channel showing (a) the original situation, (b) disintermediation omitting the wholesaler, and (c) disintermediation omitting both wholesaler and retailer

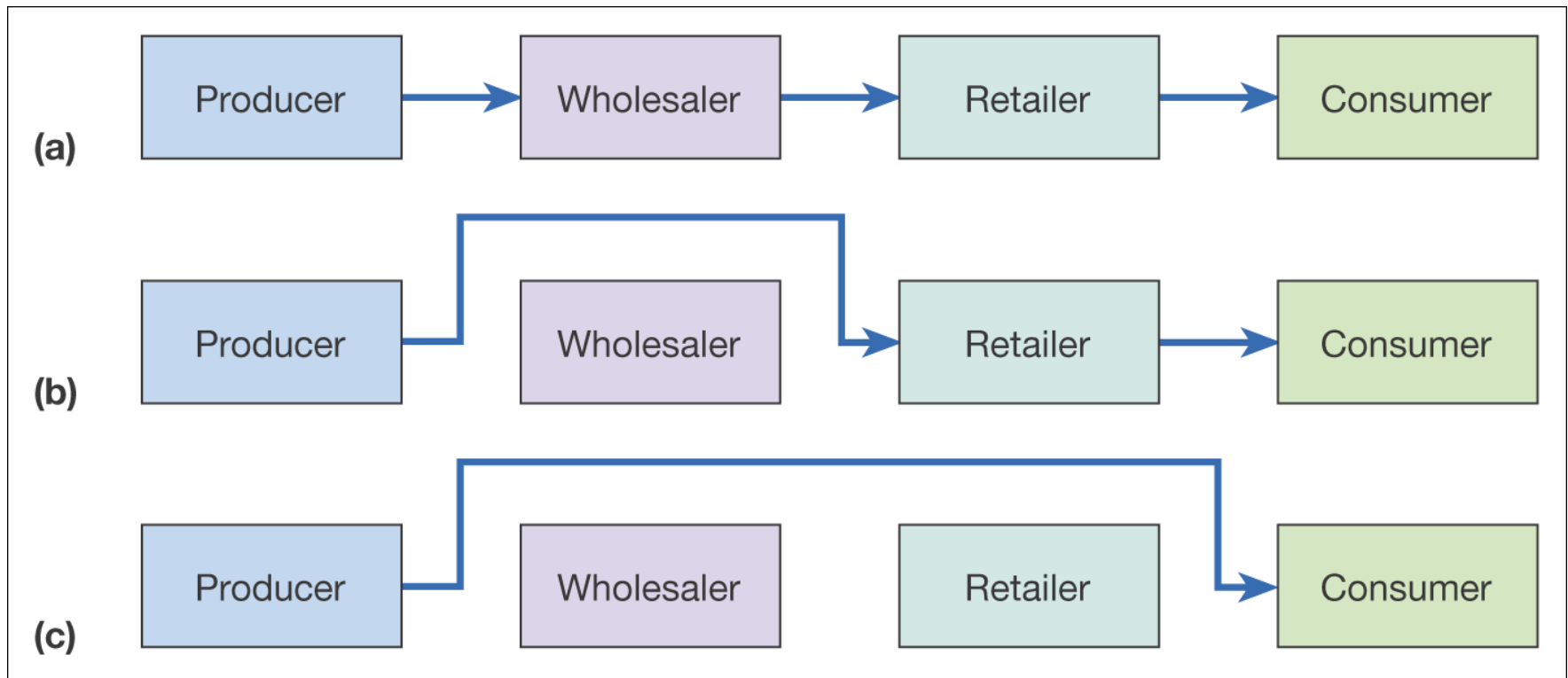
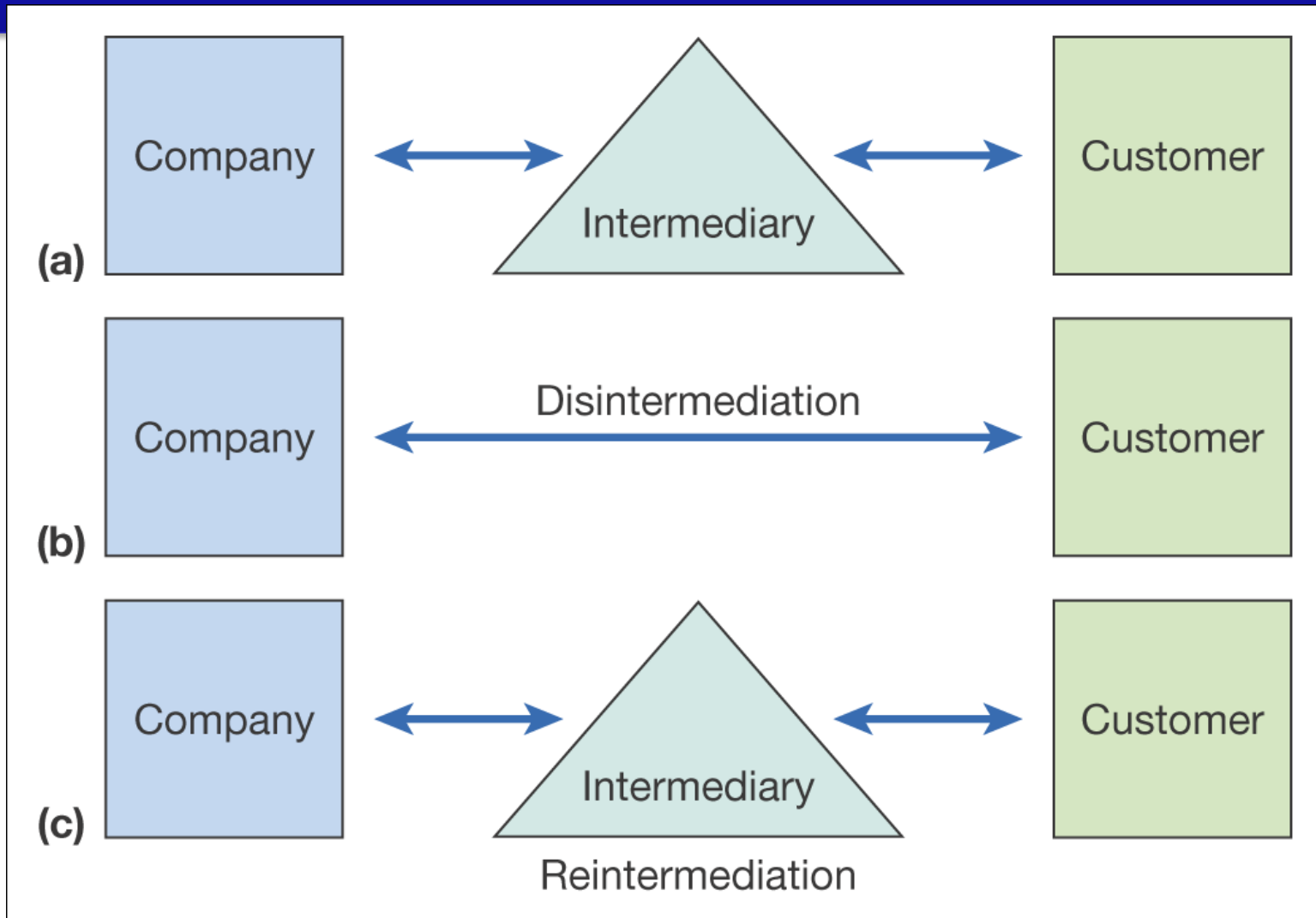


Figure 2.7 From original situation (a) to disintermediation (b) and reintermediation (c)



# Business to Consumer - Mediations

- An example of **disintermediation** is seen in the travel industry where travel agents have been cut out of many transactions as the public can book directly with hotels, airlines and rail companies.
- The travel industry also gives an example of **reintermediation**. Companies like lastminute.com and expedia.com are like new travel agents, presenting a wide choice of products and services.
- An example of **countermediation** is Opodo.com, set up by a collaboration of European airlines to encourage customers to book flights directly with them rather than using cost-comparison intermediaries such as lastminute.com.

# Cost/efficiency and Competitiveness drivers

- **Cost/efficiency drivers**
  - Increasing speed with which supplies can be obtained
  - Increasing speed with which goods can be dispatched
  - Reduced sales and purchasing costs
  - Reduced operating costs
- **Competitiveness drivers**
  - Customer demand
  - Improving the range and quality of services offered
  - Avoid losing market share to businesses already using e-commerce

# Chapter 3

## E-business infrastructure

# Technology in E-Business

Make a list of the potential problems for customers of an online retailer. You should consider problems faced by users of e-business applications who are both internal and external to the organization

Base your answer on problems you have experienced on a web site that can be related to network, hardware and software failures or problems with data quality



# Typical problems

1. Web site communications too slow
2. Web site not available
3. Bugs on site through pages being unavailable or information typed in forms not being executed
4. Ordered products not delivered on time
5. E-mails not replied to
6. Customers' privacy or trust is broken through security problems such as credit cards being stolen or addresses sold to other companies

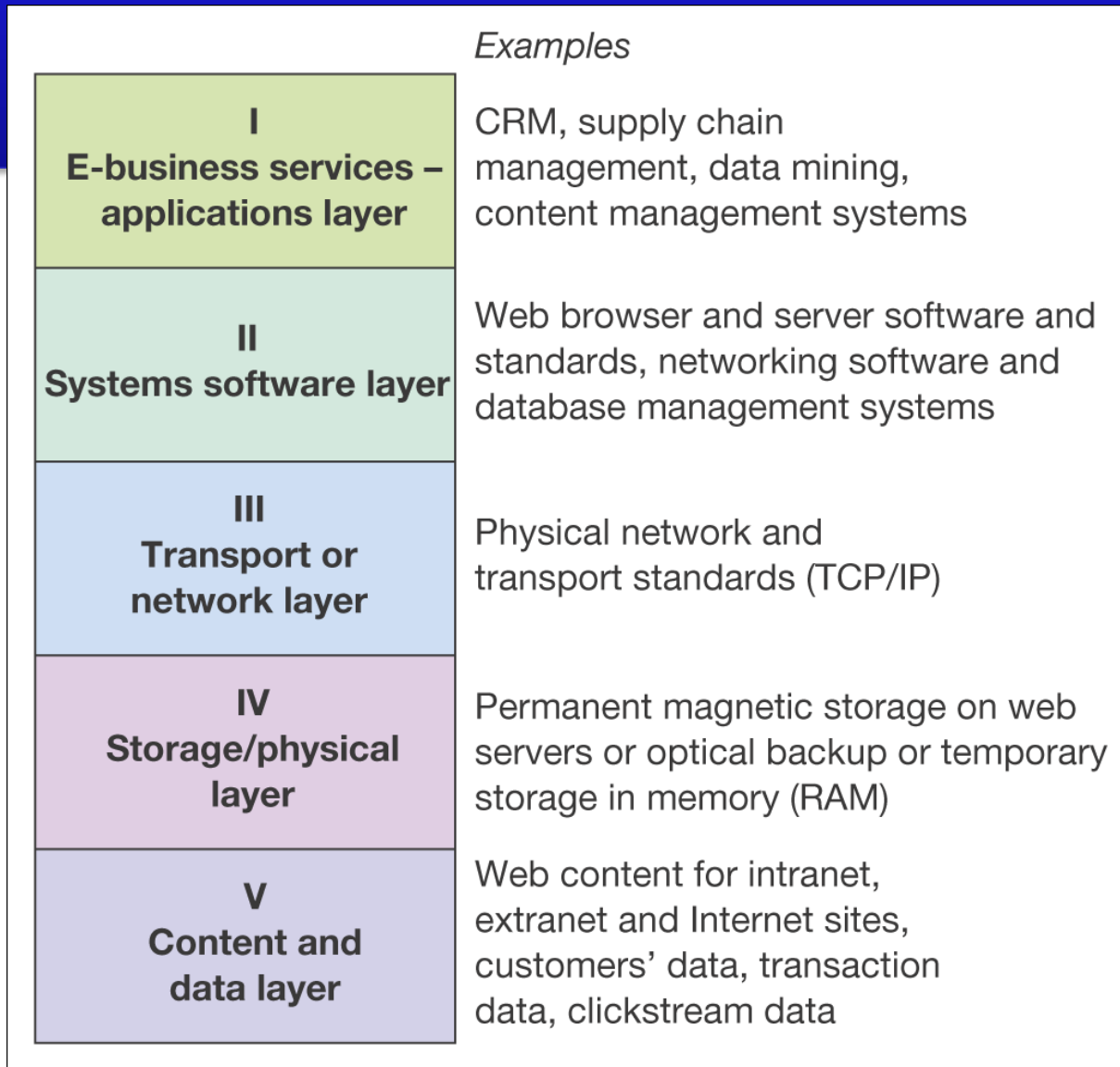


Figure 3.1 A five-layer model of e-business infrastructure



# Internet infrastructure components

- Write down all the different types of hardware and software involved from when a user types in a web address such as *www.google.com* to the web site being loaded



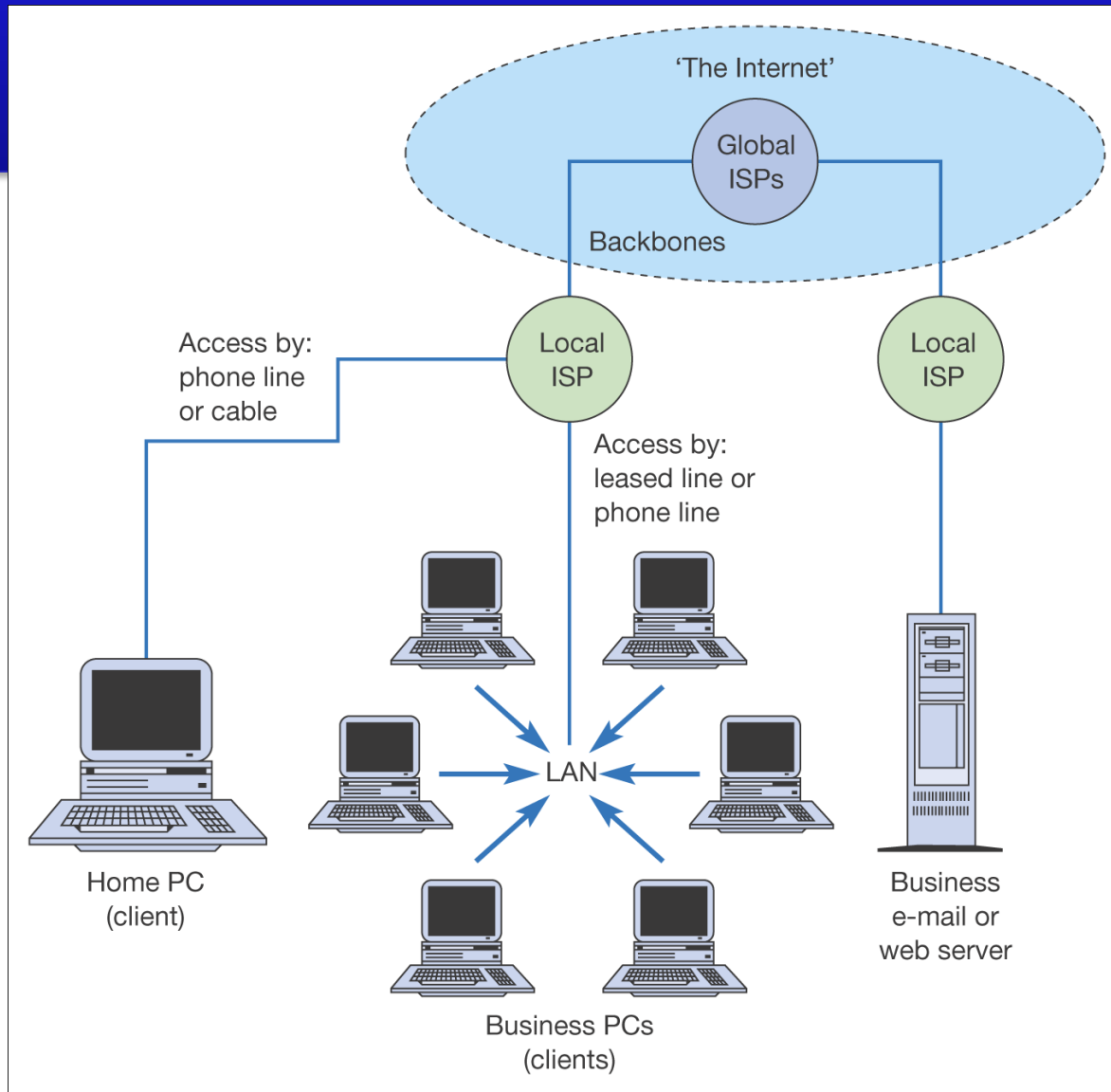


Figure 3.2 Physical and network infrastructure components of the Internet (Levels IV and III in *Figure 3.1*)

# URLs and domain names

- **Web addresses are structured in a standard way as follows:**
- A **top-level domain (TLD)**, also referred to as a "top-level domain name", is the last part of an Internet domain name. Specifically, it is the group of letters that follow the final dot of any domain name.
- For example, **the top-level domain of kwelti.com is .com**

## **Generic Top-Level Domains (gTLD)**

- These are the most common domains that most people have heard of, such as .COM, .ORG, .NET, and .INFO.

# URLs and domain names

## **Generic-Restricted Top-Level Domains**

- Generic-restricted top-level domain names are similar to the generic top-level domains, only eligibility is intended to be restricted and ascertained more stringently.

**Examples are: .BIZ, .NAME, .PRO**

## **Sponsored Top-Level Domains (sTLD)**

These domains are proposed and sponsored by private agencies or organizations that establish and enforce rules restricting the eligibility to use the TLD. IANA also groups sTLDs with the generic top-level domains.

**Examples include: .AERO, .ASIA, .CAT, .COOP, .EDU, .GOV, .INT, .JOBS, .MIL, .MOBI, .MUSEUM, .TEL, .TRAVEL**

# URLs and domain names

## Country Code Top-Level Domains (ccTLD)

- Country code top-level domain names are those that are generally used for a specific country or dependent territory. **Examples of ccTLDs include: .NZ (for New Zealand), .AU (for Australia), .CN (for China), .IN (for India), .UK (for the United Kingdom), .US (for the United States)**

**A Second-level domain (SLD) is a domain that is directly below a top-level domain (TLD).** For example, in example.com, example is the second-level domain of the .com TLD.

**Some countries restrict the second-level domain.** For example, mydomain.uk is not permitted but mydomain.co.uk is permitted.

# URLs and domain names

**Country code second-level domains have a pre-defined purpose.**

.ac.uk - academic (tertiary education and research establishments) and learned societies.

.co.uk - commercial/general

.gov.uk - government (central and local)

.ltd.uk - limited companies

.me.uk - personal

.mod.uk - Ministry of Defence and HM Forces public sites

.net.uk - ISPs and network companies

.nic.uk - network use only

.nhs.uk - National Health Service institutions

.org.uk - non-profit organizations

# HTML and XML

- **HTML (Hypertext Markup Language)**  
A standard format used to define the text and layout of web pages. HTML files usually have the extension .HTML or .HTM
- **XML or eXtensible Markup Language**  
A standard for transferring structured data, unlike HTML which is purely presentational

# HTML example

```
<html>
<header>
<title> Story about China </title>
</header>
<body>
<p style="text-align: justify;">A Chinese peasant farmer's
son, <strong>who claims he was brutally trafficked into
Ireland, was pictured on his €500 iPhone eating crab and
drinking red wine at a function in Dublin
</strong> the High Court has heard.</p>

</body>
</html>
```



# XML example

```
Product>  
<Action Value5"Delete"/>  
<ProductID>118003-008</ProductID>  
</Product>  
<Product Type5"Good" SchemaCategoryRef5"C43171801">  
<ProductID>140141-002</ProductID>  
<UOM><UOMCoded>EA</UOMCoded></UOM>  
<Manufacturer>Compaq</Manufacturer>  
<LeadTime>2</LeadTime>  
<CountryOfOrigin>  
<Country><CountryCoded>US</CountryCoded></Country>  
</CountryOfOrigin>
```

# Media standards

- **GIF (Graphics Interchange Format)** A graphics format and compression algorithm best used for simple graphics
- **JPEG (Joint Photographics Experts Group)** A graphics format and compression algorithm best used for photographs
- **Streaming media** Sound and video that can be experienced within a web browser before the whole clip is downloaded e.g. Real Networks .rm format
- Video standards include MPEG and .AVI
- Sound standards include MP3 and WMA

# Chapter 4 (supported by Chapter 3)



## **E-BUSINESS CHALLENGES AND OPPORTUNITIES**

## E-COMMERCE IN GHANA – SUCCESS STORIES...

### Lankah

A car firm that enables Ghanaians to purchase used cars from Germany. The firm has no physical showroom or warehouse for the cars. Customers view the cars through the firm's website and express their interest. Cars are shipped to Ghana after the customers make payment. The company sold 9 cars in 2004; 16 (2005) and 18 (2006). In 2009 (100 cars every two months).

### Kasapreko

A Beverage manufacturing firm which uses its website and email to source for suppliers of production materials. The company was able to curb a problem of imitated products by introducing unique bottle caps which was produced by Indian firm. The supplier was discovered through the Internet and the bottle caps were produced email and telephone communication.

### Lizdon

A Fabric and Garment Manufacturing firm which uses the Internet to market products and also source for garment designs. Through an email managed relationship with an American partner, the company exported garments to the USA and made revenues totalling US \$ 10,000 a year (2001 – 2006).

44

- Home
- Buy A Car
- Search Cars
- Request A Car
- Sell Your Car
- FAQs
- Contact Us



2006 Range Rover



2002 Nissan



2002 Honda



2002 Toyota



2002 Renault



Volkswagen

Latest catalogue entries

Online catalogue

Advanced search

Buying Decisions

- Buying Guide
- Import Duty Values
- Insurance
- Financing

Articles to support buying decisions

to My Fine Automobile

My Fine Automobile is an online automobile portal which offers Ghanaians the convenience of buying affordable, high quality, efficient and guaranteed used and new cars.

Check Me Out!



2004 Mercedes Benz  
€14,000

Featured entries

With a network of associated partners and dealerships across Germany and Europe, My Fine offers your dream car on demand within the shortest possible time at highly competitive prices without compromising your expectations and quality. It also serves as an informational resource covering reviews, frequently asked questions, and forums on automobiles.

This online portal is run by Lankah Consult, a business consultancy which develops IT-Business solutions with a consumer-oriented focus. My Fine Automobile was formed to present consumers with a timely, convenient and informed medium for buying automobiles.

Who's Online

We have 1 guest online

Search functionality

Latest Articles

Car Reviews and News



# KASAPREKO

*A Step Beyond Excellence*

- Products
- Company
- Distributors
- News
- Downloads
- Contact Us

HOME



**Distributor List**

Discover the distinctive aroma  
**Kasapreko Brandy**

**Product Catalogue**

Discover the unique taste of our products

Brandy



### News

- Distributor Awards Nite
- Kasapreko launches new Website

**join our mailing list**

Email Address

name@email.com

**Join**



Download Kasapreko Desktops

### Quality Assurance



Every product undergoes strict and rigorous Quality Assurance and testing.

**More**

### Production Process



Take an interactive tour through our production facility.

**More**

### Cocktails



find out the great cocktails you can make with our products



### Events

Find out about the latest Kasapreko events and promotions



### Media Room

You can find your favourite Kasapreko Ads here.



We Deliver Total Quality

Welcome

Product Kaleidoscope

Operations

Order Form

About Us

Welcome / Product Kaleidoscope /

# Product Kaleidoscope

Friday, 15 December 2006

Page 4 of 6

Product Kaleidoscope/Catalogue

Index

- ▶ Product Kalei
- ▶ Page 2
- ▶ Page 3
- ▶ Page 4
- ▶ Page 5
- ▶ Page 6



**Tools:**

- Email Product
- Print Product
- Save Product As PDF

MNW05 – Left picture

Executive shirt, open sleeves in linen with single inseam breast pocket and woven kente insets



LDW07 – Right picture

2-piece pants set in shedda with matching headwrap/scarf and screen-printed design

Choice of style (Complete Outfit)

LDW06 – Middle picture

Matching skirt suit

Alimex

Baltimore, USA



INVOICE

Date: \_\_\_\_\_ Order #: \_\_\_\_\_

Name: \_\_\_\_\_ Customer #: \_\_\_\_\_

Address: \_\_\_\_\_ Home #: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_ Cell #: \_\_\_\_\_

Distributor ID: \_\_\_\_\_ Manufacturer #: \_\_\_\_\_

ITEM/DESCRIPTION	FABRIC (type/color)	SCREEN (design/color)	UNIT PRICE	QTY	TOTAL
_____					
_____					
_____					
_____					
<u>SPECIAL INSTRUCTION:</u>	1. MERCHANDISE SUBTOTAL				
	2. S/H (Line 1)				
	3. TAXES (Line 1)				
	4. TOTAL				
	5. DISCOUNT (Line 1)				
	6. DEPOSIT				
	7. BALANCE				

METHOD OF PAYMENT

Check, Cash or Money Order

Visa  MasterCard  American Express  Discover

Card #: \_\_\_\_\_ Exp Date: \_\_\_/\_\_\_

Signature: \_\_\_\_\_

**DEPOSIT:** A 50% non-refundable deposit is required upon placement of all orders. The balance is due upon delivery of the garment(s).

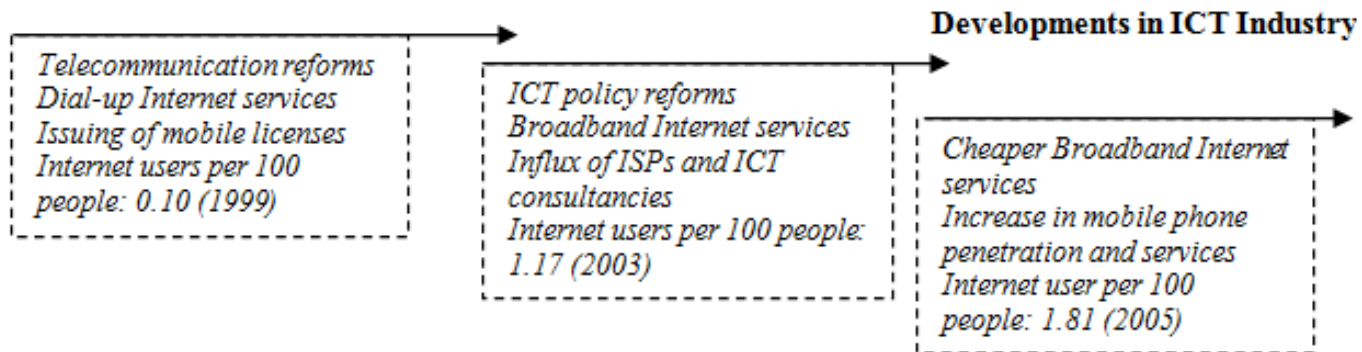
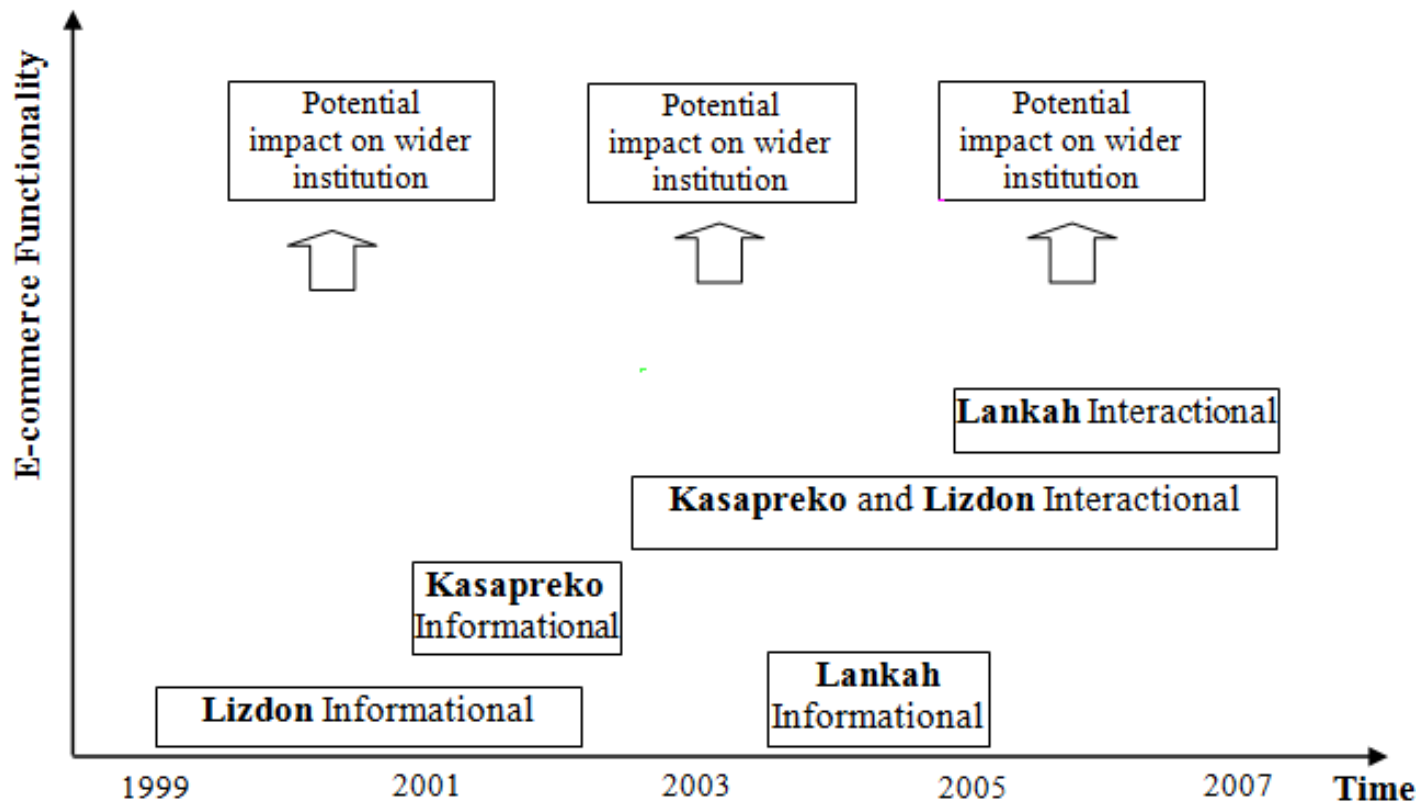
**RETURNS:** Essence distributors will do everything possible to provide customers with garments ideally suited to their taste. Customers are individually measured to ensure a tailored fit. If the customer decides not to accept

SHIPPING/HANDLING

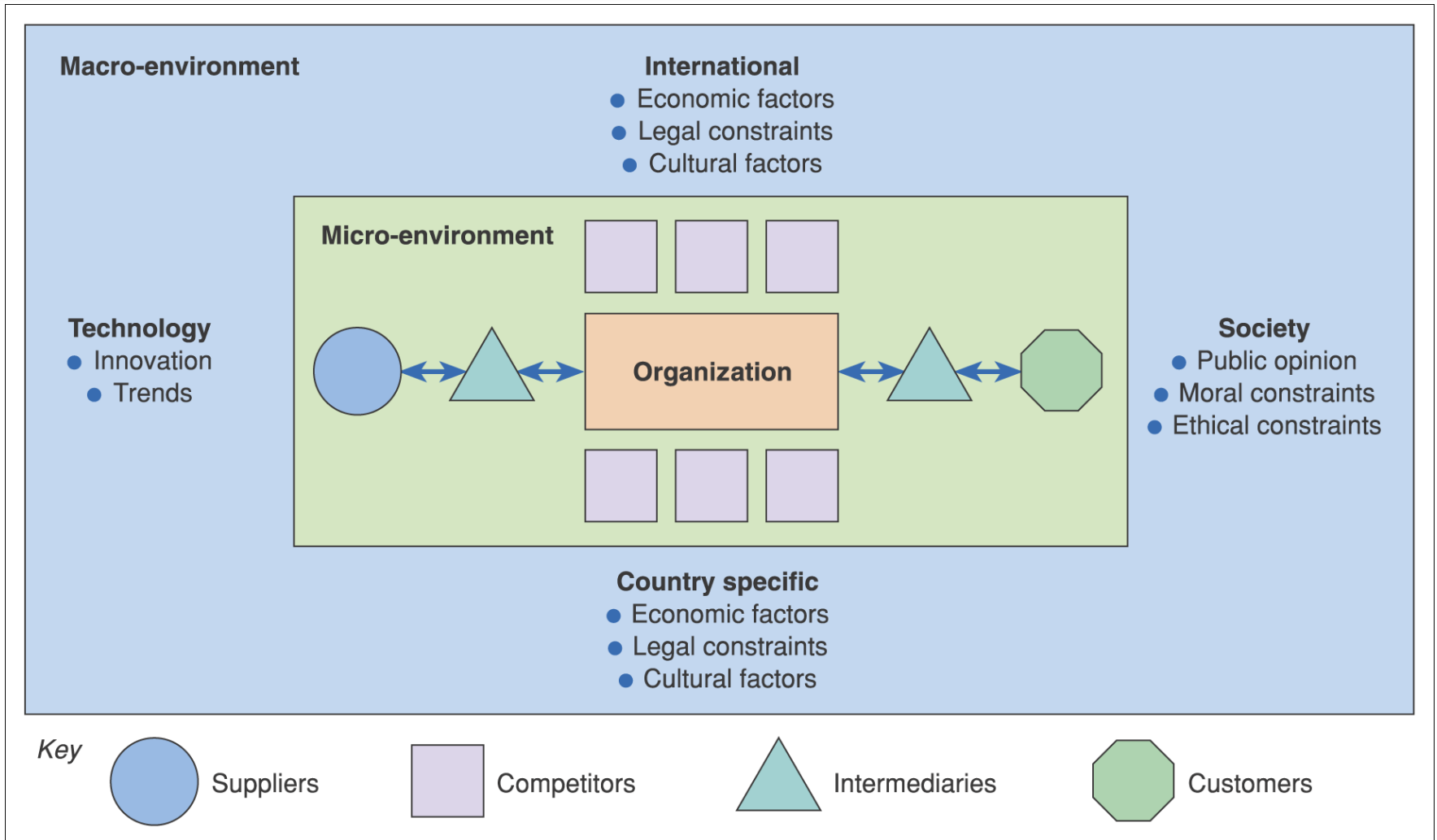
Total Price \_\_\_\_\_ Please Add \_\_\_\_\_



# E-commerce in Ghana – where we are...



# The environment in which e-business services are provided



# Environment constraints and opportunities

- **Customers** – which services are they expecting from you?
- **Competitors** – need to be benchmarked in order to review the online services they are offering – do they have a competitive advantage?
- **Intermediaries** – are new or existing intermediaries offering products or services from your competitors while you are not represented?
- **Suppliers** – are suppliers offering different methods of procurement to competitors that give them a competitive advantage?

# Environment constraints and opportunities (Continued)

- *Macro-environment*
- **Society** – what is the ethical and moral consensus on holding personal information?
- **Country specific, international legal** – what are the local and global legal constraints for example, on holding personal information, or taxation rules on sale of goods?
- **Country specific, international economic** – what are the economic constraints of operating within a country or global constraints?
- **Technology** – what new technologies are emerging by which to deliver online services such as interactive digital TV and mobile phone-based access?

# SLEPT factors

- Macro-environment
  - Social
  - Legal
  - Economic
  - Political
  - Technological

# Economic / political

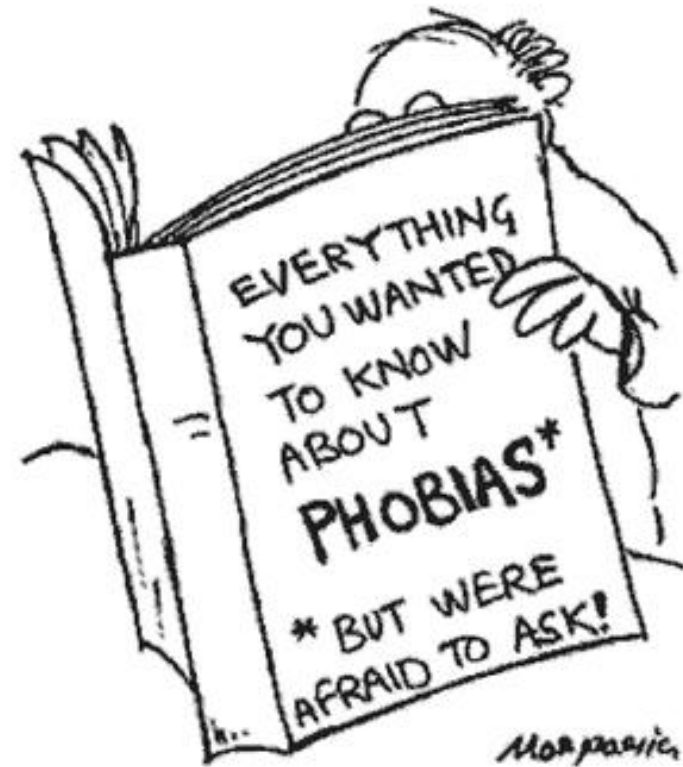
- Ensuring companies competitiveness
  - Regulate or Promote
- Taxation regimes
  - Legislation for offshore trading
  - Where do I pay tax???



# E-business Challenges

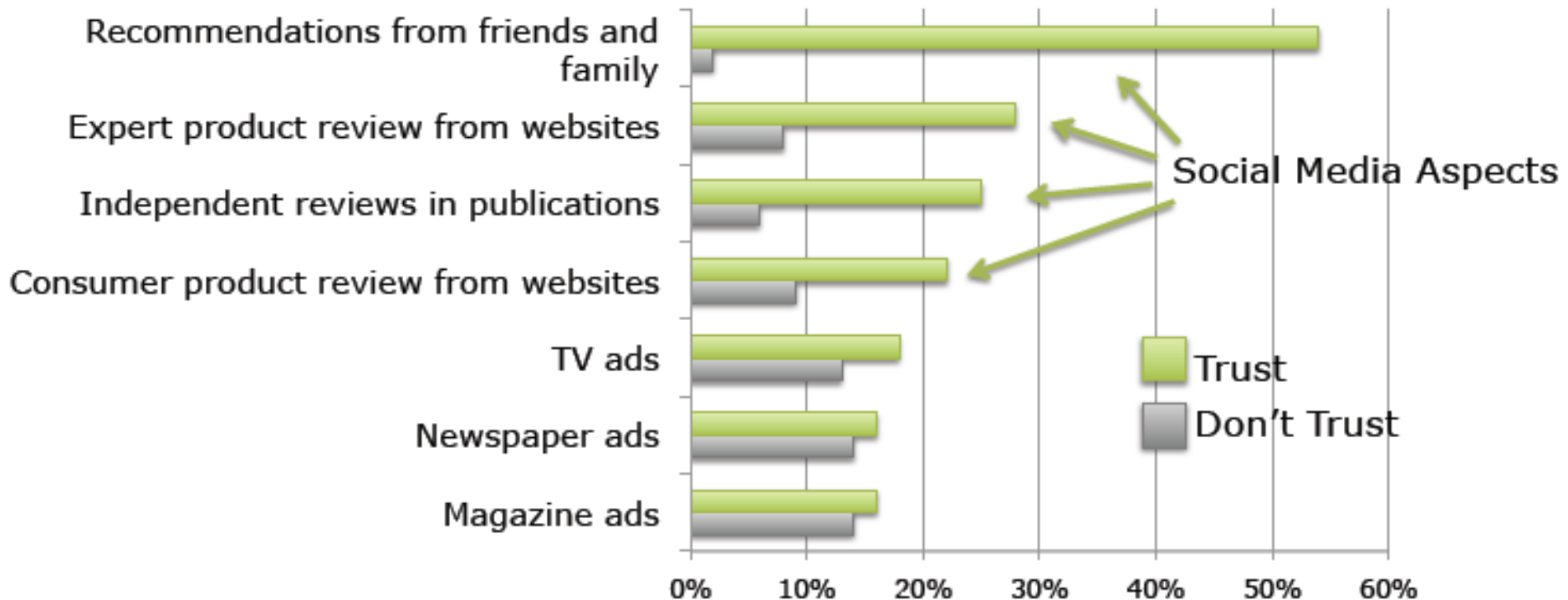
**Socio-cultural barriers** to e-buying include *Trust, language preferences, income and literacy levels, attitudes toward distance buying, methods of payment*. High existence of these barriers could lead to poor adoption of the system.

For instance consumers in Mexico and Egypt are generally accustomed to touching merchandise before buying. Other issues relating methods of payment are prominent where credit card usage is low and the tradition of cash payment exists, like Egypt and Ghana.



# Trust and Different Information Sources

## It's all about love and trust!



Source: Jan 2009, Asia's Top Digital Brands TNS/Media Magazine (n=3001)



# Ethical issues and data protection

- Ethical issues concerned with personal information ownership have been usefully summarized by Mason (1986) into four areas:
  1. **Privacy** – what information is held about the individual?
  2. **Accuracy** – is it correct?
  3. **Property** – who owns it and how can ownership be transferred?
  4. **Accessibility** – who is allowed to access this information, and under which conditions?

# Ethical issues and data protection

## 'I won't shop at Target again': Angry fraud victims condemn store after details of up to 40 MILLION credit cards are stolen by hackers

- Almost all of Target's 1,797 stores in the US were targeted as 40,000 credit card swipe machines were hacked
- Second largest theft of credit card details in American history
- Data mining software installed on swipe machines sent card details to hackers
- Secret Service investigating
- Thieves tried to use credit card of one victim at a California casino



<http://www.dailymail.co.uk/news/article-2526235/Over-1-MILLION-Target-customers-account-information-stolen-Black-Friday-weekend-in.html>

# Ethical issues and data protection

## Information Collected by Websites

1. Contact Information
2. Profile information – personal information
3. Access Platform usage
4. Behavioral information on a single site
5. Behavioral information across multiple sites

## Concerns

1. Transparency – who is collecting what information?
2. Security – how is information protected once collected by a company?
3. Liability – who is responsible if data is abused?

# Ethical issues and data protection

- **Fair information practices principles:**
  - **Notice/awareness (core principle):** Web sites must disclose practices before collecting data
  - **Choice/consent (core principle):** Consumers must be able to choose how information is used for secondary purposes
  - **Access/participation:** Consumers must be able to review, contest accuracy of personal data
  - **Security:** Data collectors must take steps to ensure accuracy, security of personal data
  - **Enforcement:** Must be mechanism to enforce FIP principles

These five Fair Information Practices provide the foundation for all privacy legislation in the United States, and much of Europe. You might go to a popular Web site, find its privacy policy, and see how well the site conforms to the principles above. Chances are good that the Web site you choose will have several statements in their policies which permit them to do anything they want with personal information.

# E-business - Challenges

**Legislation delays** arise when there is a need for new legislation and rules to support this form of procurement. Most transitional economies lack these laws; hence there is reduction of interest of organizations to participate in it. *Legality of Electronic Documents and Legality of Electronic Transactions*

Ghana's Electronic Transactions Act 772 (2008) seeks to provide for and **facilitate electronic communications and related transactions in the public interest, and to remove and prevent barriers to electronic communications and transactions; promote legal certainty and confidence and provide legal safe environment for the conduct of transactions** with public and private bodies, institutions and citizens.

The Act covers electronic records, digital signature, electronic signatures, consumer protection, cyber offences etc.



# E-business Challenges

## Ghana's Electronic Transactions Act 772 (2008)

### **Obtaining electronic payment medium falsely**

119. A person who makes or causes to be made either directly or indirectly, a false representation to procure the issue of an electronic payment medium personally or to another person commits an offence and is liable on summary conviction to a fine of not more than five thousand penalty units or to a term of imprisonment of not more than ten years or to both.

### **General provision for cyber offences**

123. Except as provided for in this Act, any offence under a law which is committed in whole or in part by use of an electronic medium or in electronic form is deemed to have been committed under that Act and the provisions of that Act shall apply.



# Localization

- Singh and Pereira (2005) provide an evaluation framework for the level of localization:
  - **Standardized web sites (not localized)**. A single site serves all customer segments (domestic and international)
  - **Semi-localized web sites**. A single site serves all customers; however, there will be contact information about foreign subsidiaries available for international customers. Many sites fall into this category
  - **Localized web sites**. Country-specific web sites with language translation for international customers, wherever relevant. 3M ([www.3m.com](http://www.3m.com)) has adapted the web sites for many countries to local language versions. It initially focused on the major web sites

# Localization (Continued)

- **Highly localized web sites.** Country-specific web sites with language translation; they also include other localization efforts in terms of time, date, postcode, currency formats, etc. Dell ([www.dell.com](http://www.dell.com)) provides highly localized web sites
- **Culturally customized web sites.** Web sites reflecting complete ‘immersion’ in the culture of target customer segments; as such, targeting a particular country may mean providing multiple web sites for that country depending on the dominant cultures present. Durex ([www.durex.com](http://www.durex.com)) is a good example of a culturally customized web site

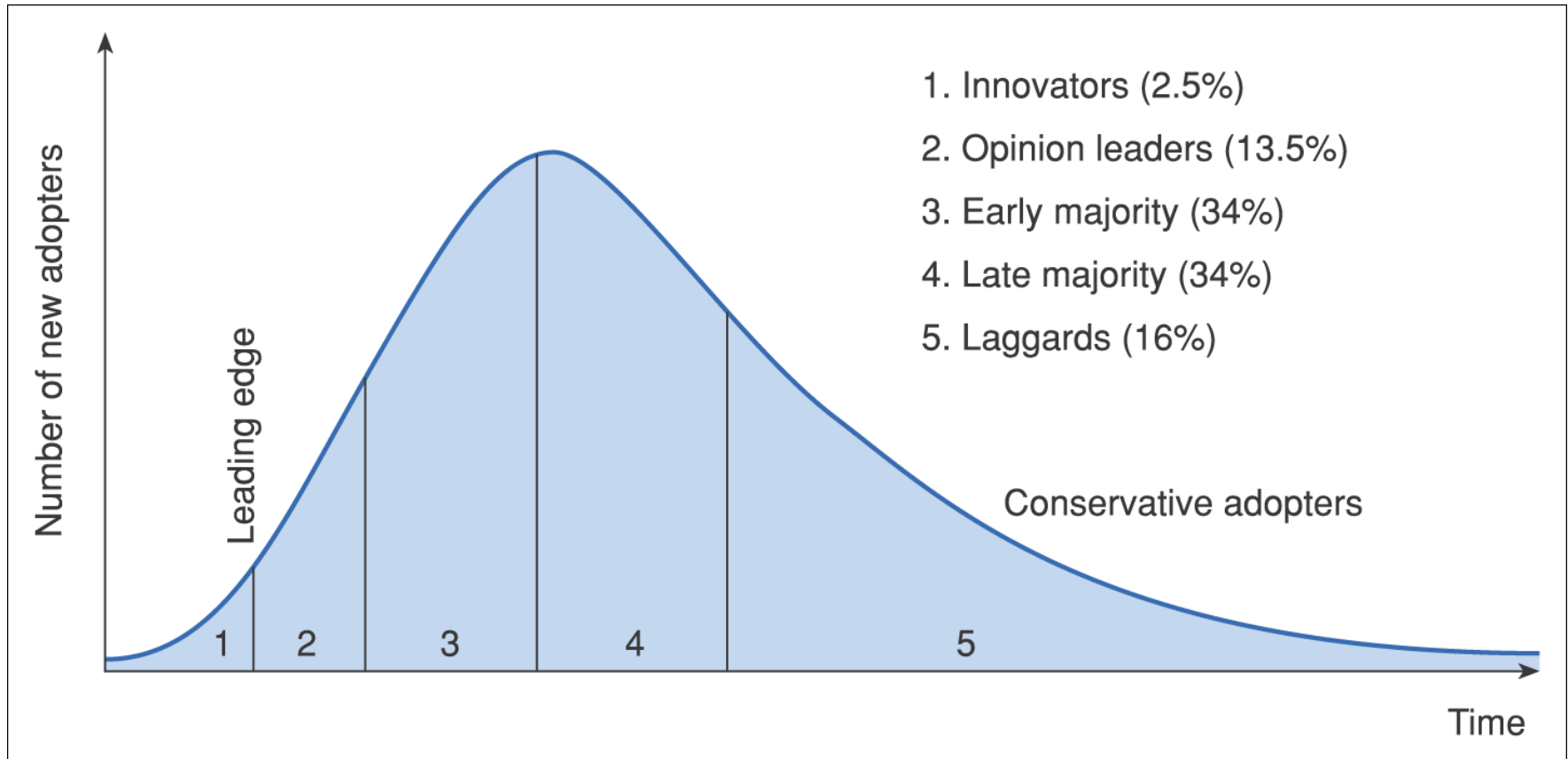


# E-business Technology Challenges

**Poor change management** occurs from lack of stakeholder involvement, lack of support from senior management, or even lack of organizational support. Most transitional economies are struck with problems of unemployment and since e-commerce decentralises all commercial and purchasing activities, *the threat of redundancy, redeployment or loss of power is likely to lead to resistance* to the implementation of the system.

- **Rate of change**
  - Which new technologies should we adopt?
    - Monitoring for new techniques
    - Evaluation – are we early adopters?
    - Re-skilling and training
- Are our systems secure?

# Figure 4.12 Diffusion–adoption curve



# E-business Technology Challenges

- **Electronic Payment Systems**
  - Visa payments at point of sale – Mr. Price and Truthworths at Accra Mall
  - Visa Payments at Hotels in Accra
  - Ezwich in Ghana – payments of National Service and government employees and selected retail shops
- **Mobile Payment**
  - Remittances, buying of airtime and payment in selected retail shops
- **Addressing System for Delivery**
  - Using the nearest landmark
  - Drawing of maps and Google Maps



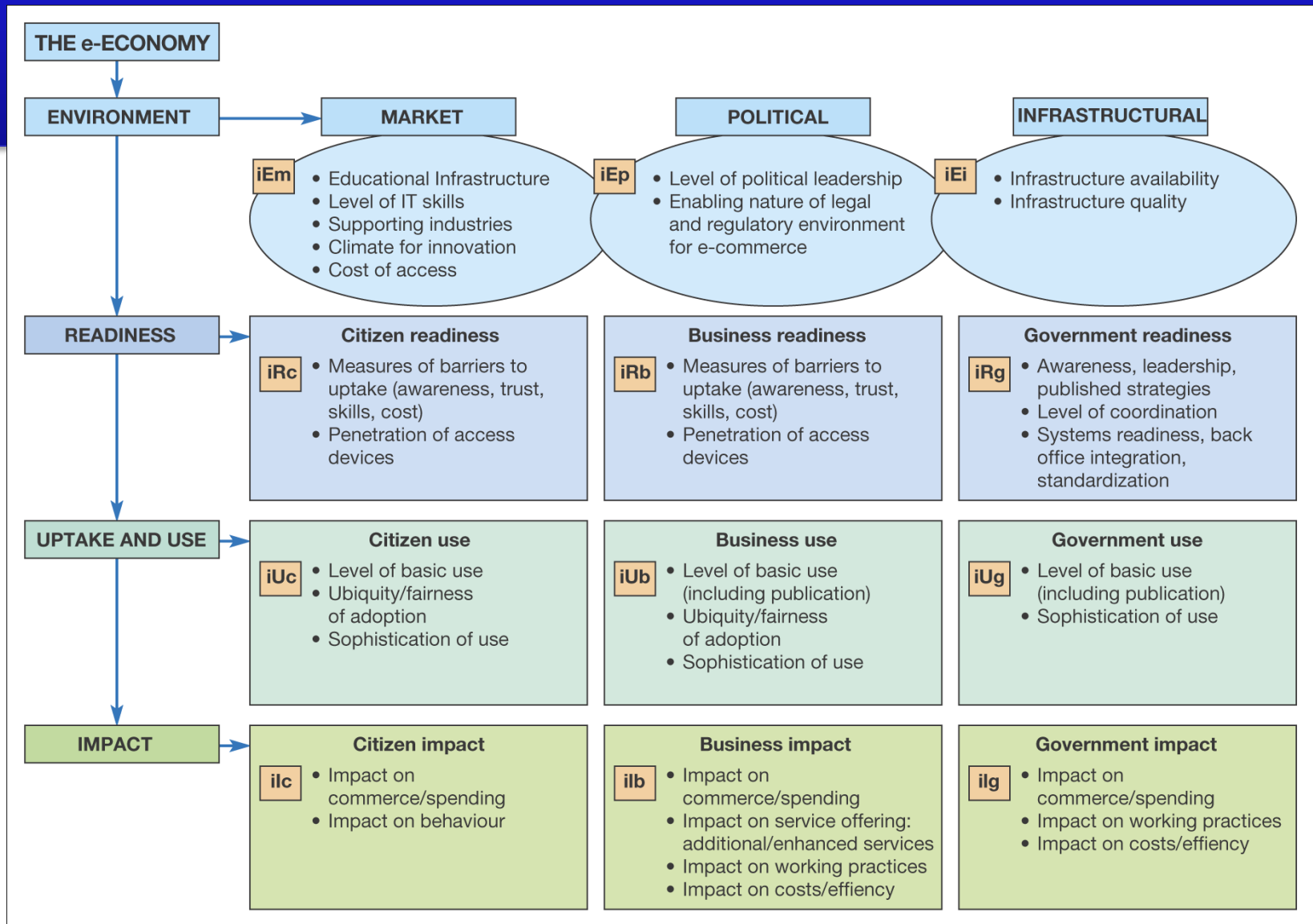


Figure 4.11 A framework describing the e-economy

Source: Booz Allen Hamilton (2002). *International E-Economy: Benchmarking The World's Most Effective Policy for the E-Economy*. Report published 19 November, London. [www.e-envoy.gov.uk/oeo/oeo/nsf/sections/summit\\_benchmarking/\\$file/indexpage.htm](http://www.e-envoy.gov.uk/oeo/oeo/nsf/sections/summit_benchmarking/$file/indexpage.htm)

## Information Technology Capital Investment

Considering the context of a developing country like Ghana, is the internet a strategic choice for every firm or otherwise, **should every firm do business online?**



# E-commerce in Ghana – Where are we?

Go to the Class website:  
[www.vivaafrika.info](http://www.vivaafrika.info)

Government Readiness  
Market Readiness  
Technology Readiness  
Cultural Readiness

Under Case studies download the paper  
on E-commerce in Ghana