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## E-Commerce in Online Business

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# E-Commerce in Online Business

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**Abstract.** The aim of this study is to observe the benefits and convenience of selling goods in e-commerce and analyze business models to provide a description of the characteristics of e-commerce and to analysis business models using the Business Model Canvas (BMC). The method used in this study was descriptive research method that describes the situation related to several existing variables and use BMC as a tool to explore business processes into more detailed parts such as relationships, needs, costs, activities, income, etc. This research was conducted by discussing the system of ease of interface, sales system, ordering system and payment system by the owner using e-commerce technology. The results of this study shows that Brodo's income comes from product sales, profit share from credit card, and profit share from the online marketplace. This income is derived from the consumer segment as well as the results of profit sharing by offering a value proposition that Brodo has, namely Product quality, Customer satisfaction, and offline store. This value proposition differentiates Brodo from other similar brands.

## 1. Introduction

Online marketing is a good opportunity for business promotion. Today, many entrepreneurs want to promote their goods online, because everyone is increasingly digital and internet users are increasing day by day. Online marketing is one of the industries that is growing very rapidly in this era. For beginners, online marketing is a big opportunity because development in this field is faster than in other fields. According to Eddy Soeryanto Soegoto, marketing is the process of planning and implementing conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges to satisfy the needs of customers and companies at the same time [1]. M R Arwiedya and S Sugiarto also explained that sales are the company's main activity in generating income, for large and small companies. Sales are the ultimate goal of marketing activities because in this section there are prices, negotiation and acceptance agreements, as well as agreements on payment methods agreed upon by both parties, to reach the point of satisfaction [2]. In this Digital Age, the role of a website can be said to be very important for the success of the online business, especially for website visitors. Kwan I S, Fong J, and Wong H K stated that changing the pattern of Internet access to E-Commerce sites is itself a challenge for teams in corporate marketing. In order for the electronic business to develop, the system must also be designed to provide customers with the preferred traversal pattern of product awareness and expiration to buy a commitment. Such knowledge can also be found by synthesizing large amounts of Web access data through information compression to produce frequent access patterns from E-Costumer [3].

Comparisons in research such as those found in the study of Mary Wolfinbarger and Mary C. Gilly state that, online shopping is for freedom, control, and can even be used as entertainment. It can also be



interpreted that online shopping also has its own element of interest, especially in the eyes of the public [4]. The research examined by Eileen Bridges, Renee Florsheim explained that marketers who offer shopping on a web-based basis usually try to provide an online-based environment that is comfortable, safe, and fun, and also suitable to handle buyers' functional goals. This research also shows that the existence of utilitarian flow elements that facilitate shopping can indeed increase purchases [5]. Research from Susan Rose, Neil Hair, and Moira Clark also explains that customer interaction with the organization's website can create an opportunity for positive experiences that can lead to the formation of long-term relationships [6]. The benefits of an online business have many interesting things, as in the research of Yoo Kyoung Seock and Lauren R. Bailey in 1277 students in the United States who explained that there are seven orientations in shopping, namely shopping, brand awareness or fashion, awareness prices, shopping trust, comfort or time awareness, home shopping tendencies, and brand or store loyalty, this also shows that shopping orientation is significantly related to their search for information and purchases of clothing items online [7]. Dina Ribbink explained in her research also that in e-Commerce loyal customers is something that is very valuable, customers can be loyal because of a satisfaction and trust between the two parties, because loyalty is generally associated with satisfaction with service quality and online transactions also involve much uncertainty for customers, therefore trust is a condition for exchange [8]. The research of Yu-Hui Chen and Stuart Barnes illustrates the existence of four important things that need to be considered among them, namely the Objective, Design, Methodology, Approach, and Findings. The first thing is that the goals in E-Commerce need an online trust because it is a major obstacle for successful vendors, especially on the internet, because lack of trust tends to make online consumers reluctant to participate in E-Commerce. The second thing is that there are four main categories namely perceived technology, perceived risk, company competency, and trust tendency, it is useful to investigate the impact of online initial trust and familiarity with online purchases on purchase intentions. The third thing is the finding which explains good findings such as benefits, privacy, good reputation, and good willingness. And the last thing is the matter of Originality or value, which explains the insight into the development of initial online trust by consumers, as well as the relationship between initial online trust and intention to buy [9]. Lei-da Chen, Mark L. Gillenson, and Daniel L. Sherrell illustrate on the perspective of expanded technology acceptance, as does the aspect of the business to consumers from electronic commerce which is the most common business use today, namely the World Wide Web (WWW). In his research that attracting consumers can be done by applying the Technology Acceptance Model (TAM) and also Innovation Diffusion Theory (IDT), namely to be able to pay attention to what factors can attract consumers, because this is also an important thing in E-Commerce in online business [10]. Another thing that consumers perceive in an online business is the design of the web page of said business [11].

The aim of this study is to see the benefits and convenience of selling goods in e-commerce and analyze business models to provide a description of the characteristics of e-commerce and to analysis business models using the Business Model Canvas (BMC). BMC can be used to describe good business planning so that the business runs on the right track. Analysis using BMC can help writers get to know business processes into more detailed sections such as relationships, needs, costs, activities, income, etc. This study used descriptive method with describing several existing variable.

## **2. Method**

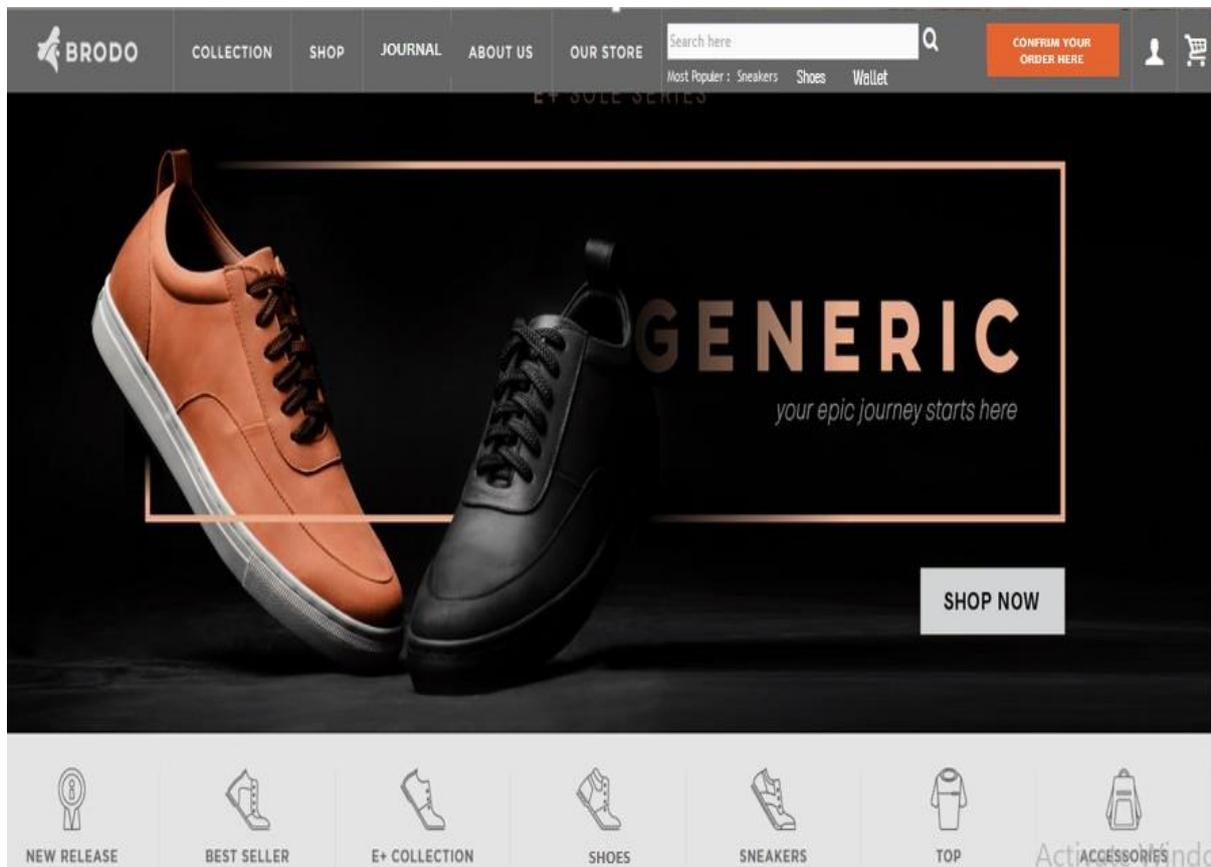
This study used was descriptive research method to determine variables related to e-commerce in online business and also uses journals related to the development of e-commerce and describe situations related to several existing variables and use BMC as a tool to explore business processes into more detailed parts such as relationships, needs, costs, activities, income, etc. so that you can find out how much influence and benefits of e-commerce in the business world.

## **3. Results and Discussion**

The e-commerce business model has characteristics that are different from other conventional businesses. Model innovation in bussiness is very important [12]. E-commerce makes business practitioners need to adjust the old business model into a new, more adaptive business model. Many companies or organizations are growing rapidly so it takes the ability to create the right business model.

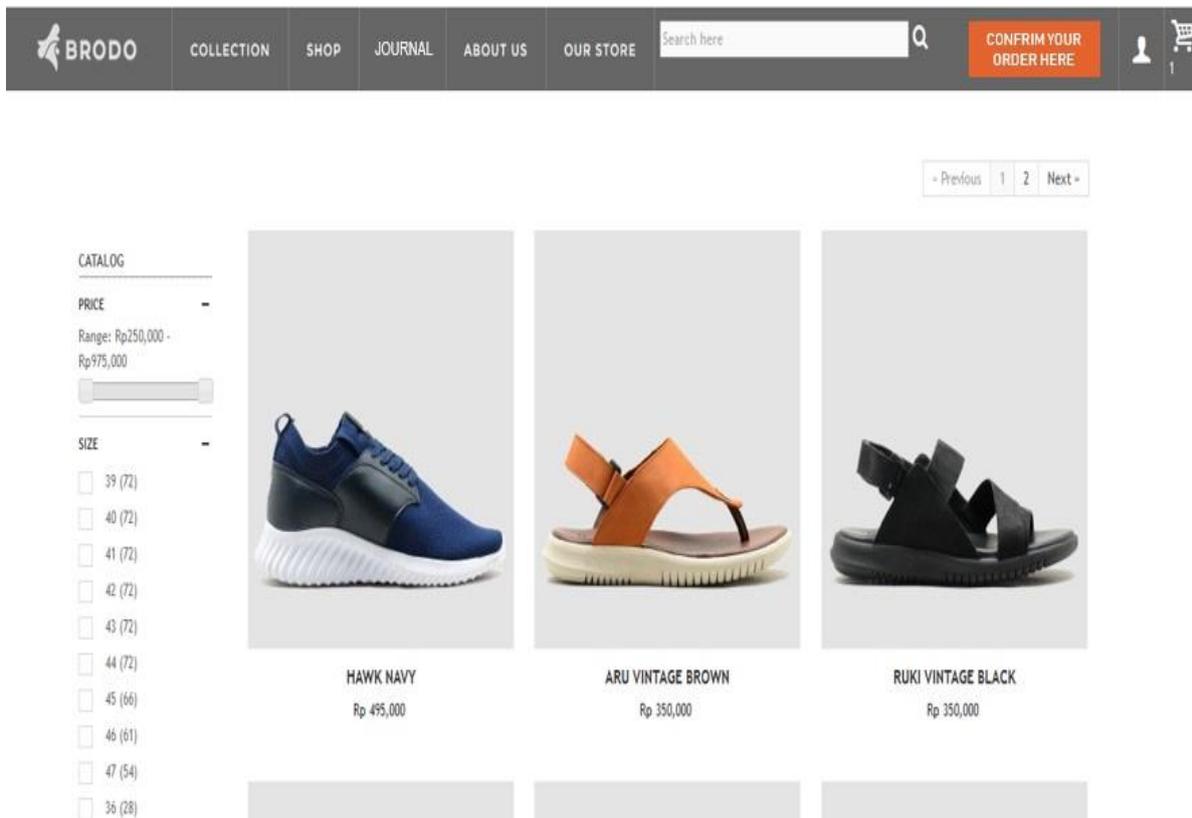
To develop BMC, organizations can start from photographing current conditions, followed by SWOT analysis. The results of the SWOT analysis can be used to design business models for repairs and prototypes of future business model.

Online businesses that offer shoe products, offer various types of shoes, such as boots, sneakers, and sandals. Buyers can visit the shoe product provider website to see the buyers' shoes. To attract buyers to buy shoe products in an online business, sellers offer best seller shoes in the main menu and upload a variety of other types of shoes and provide an explanation of these products. The payment methods available in selling shoes online are bank transfers, buy now pay later by Kredivo, and using a credit card. Buyers can order anytime and anywhere because the website can be accessed at any time through electronic devices such as smartphones and computers. Testimonials are also listed in the main menu of this website so that sellers get confidence from previous buyers and new buyer don't need to worry about buying shoes from Brodo (Figure 1).



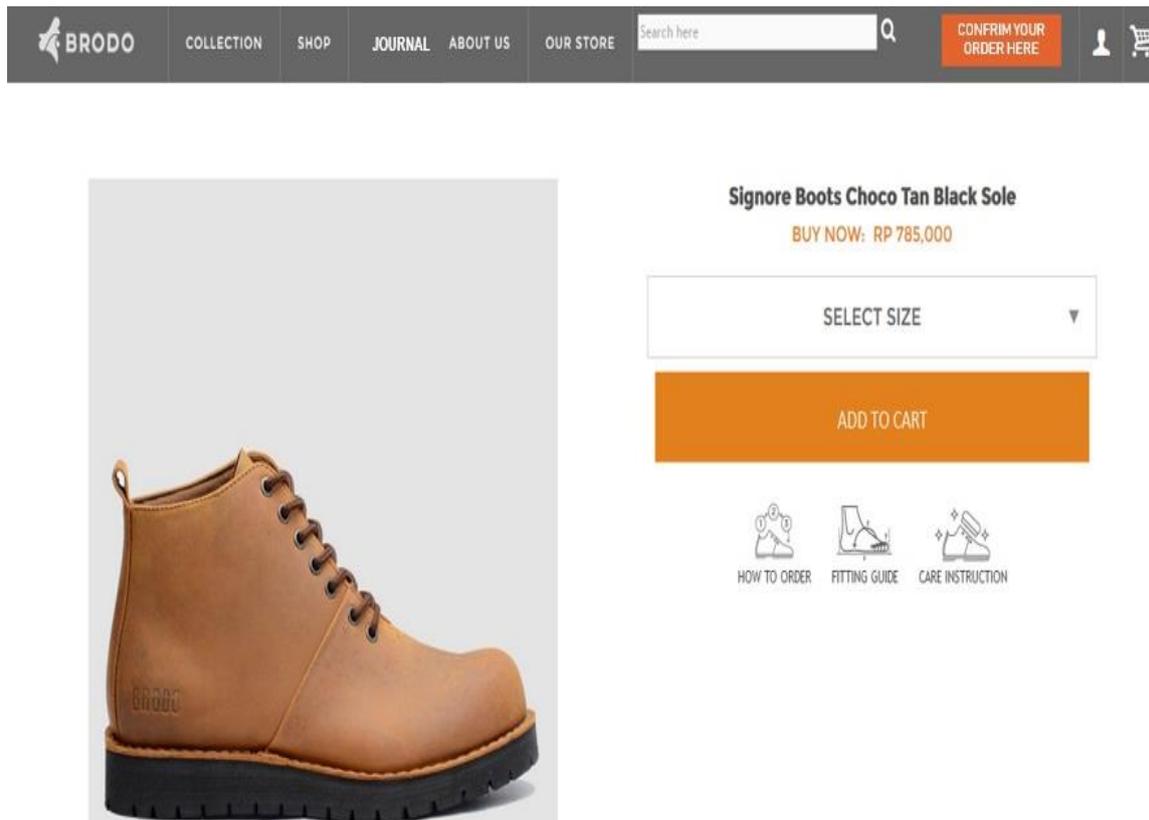
**Figure 1.** Main Menu. This figure was adopted from <https://bro.do/our-store> on August 12 2018

In the appearance of Brodo's main menu, there are several choices of best-seller products offered by sellers that might be able to attract the eyes of buyers of shoes sold online. There is also an account creation page on the seller's website so that buyers who make an account can enjoy the offers provided by the seller. The advantages in the main menu display are also because the seller places all the necessary access to the buyer on this website, making it easier for buyers to shop online (Figure 2).



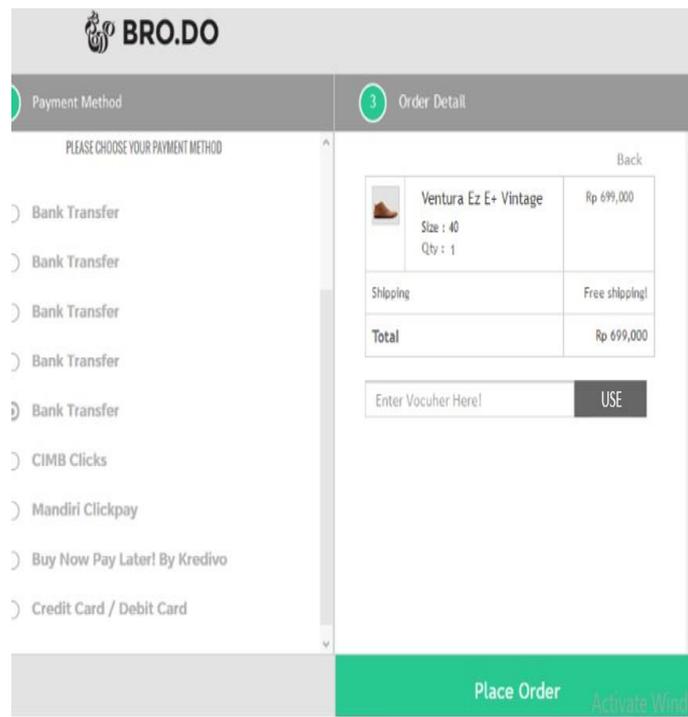
**Figure 2.** Product Menu. This figure was adopted from <https://bro.do/collection> on August 12 2018

In the display of the Brodo product catalogue, buyers can search for and select products. Products that are in Brodo are local products, products can also be displayed from the order of the cheapest to the most expensive, shoe size, and type of shoes (Figure 3).

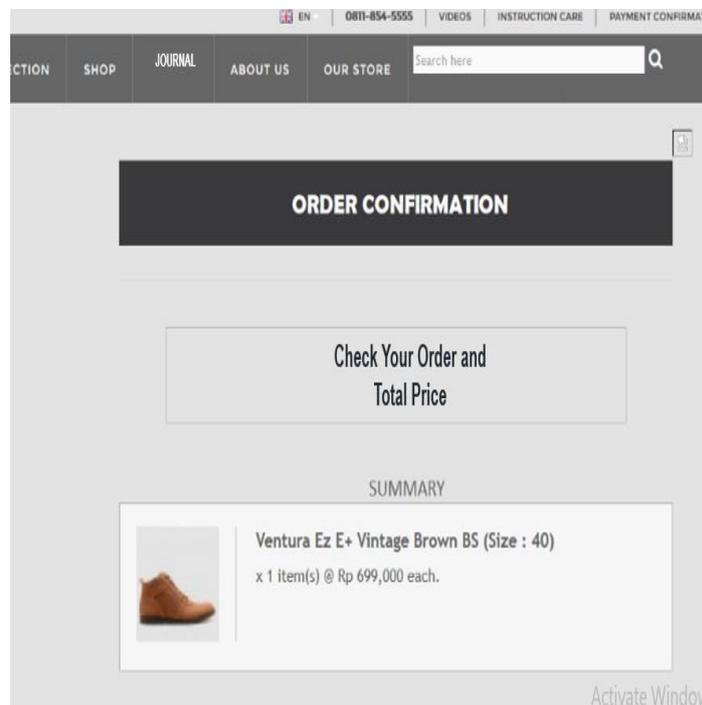


**Figure 3.** Shoes Product. This figure was adopted from <https://bro.do/collection> on August 12 2018

Buyers who have chosen Brodo products can choose the desired shoe size, besides that, there is also product information, product prices, and a guarantee of the authenticity of Brodo's shoe products so that buyers do not need to hesitate in making transactions (Figure 4). In the payment process, the buyer is required to fill in the personal data such as email, name, telephone number and address for shipping goods. The second stage, buyers are required to choose the payment and courier methods provided by the seller. Payments available can be via bank transfer, buy now pay later by Kredivo, and credit cards. After all, conditions are met, buyers who have vouchers can use it to buy the selected product. The last step is the buyer only needs to press the place order option and will be directed to the payment confirmation menu so that the buyer can re-check the order (Figure 4).



**Figure 4.** Payment Form. This figure was taken from <https://bro.do/collection> on August 12 2018



**Figure 5.** Order Confirmation. This figure was taken from <https://bro.do/collection> on August 12 2018

After ensuring the product matches the order, the buyer only needs to press the confirmation and send money to the seller, according to the applicable product price. The transaction will be cancelled if the buyer does not make a payment for 1x24 hours after ordering. The following is the result of Brodo's

analysis, which is an official website and functions as an online store from the Brodo brand, based on the results of a literature study on Brodo based on 9 segments of BMC, as shown in Table 1.

**Table 1.** Business Model Analysis of Brodo

BMC Segment	Brodo
<b>Customer Segment</b>	1. Sporty Young Man 2. Young Businessman
<b>Value Proposition</b>	1. Product quality 2. Customer satisfaction 3. Toko Brodo (offline store)
<b>Channels</b>	1. Official website 2. Credit card 3. E-mail 4. Customer call center
<b>Customer Relationships</b>	1. Pre-Order Now 2. Credit card payment options 3. Complaints management
<b>Revenue Streams</b>	1. Product sale 2. Profit share from online marketplace 3. Profit share from credit card
<b>Key Resources</b>	1. Shoe designer 2. Website and database 3. Investor funds
<b>Key Activities</b>	1. Designing product 2. Handmade productions 3. Website maintenance
<b>Key Partnerships</b>	1. Investor company 2. Online marketplace company 3. International shipping, and transportation company 4. Local courier services company 5. Insurance company
<b>Cost Structure</b>	1. Office operational costs 2. Employee salary 3. Website maintenance costs

#### 4. Conclusion

Online business sales make it easy for buyers to make transactions, buyers only use smartphones or computers and internet networks, buyers can order the desired product anywhere and anytime. The buyer does not need to worry about the quality and security of the transaction. Online sales have a more effective, efficient and inexpensive role compared to offline sales. The results of the analysis of the authors of the e-commerce study show that Brodo's revenue comes from product sales, revenue sharing from credit cards, and revenue sharing from the online market. This income comes from the consumer segment and the results of profit sharing by offering a value proposition owned by Brodo, namely product quality, customer satisfaction, and offline stores.

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