

Program Teacher Notes

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Teacher Notes:

Program Title: **Exploring e-Commerce**

For use in the Key Learning Areas of Technology and SOSE - with special relevance to:

- Information Technology
- Computer Studies
- Business Management
- Business Studies
- Marketing
- Careers
- etc

A **Media Australia** production.

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Program Overview:

With the world wide web now an essential part of many people's lives the biggest growth area continues to be the transaction of commercial sales and business on-line, to potentially millions of customers around the globe.

This brave new world of electronic commerce involves either *Business to Customer (B2C) e-Commerce*, or *Business to Business (B2B) e-Business* - which is also called *e-Procurement!*

Keeping track of these concepts - and where they are heading - is now an essential requirement for anyone working in information technology, business management or marketing. So in this new 2x minute program from *Media Australia* we go inside the nation's leading Web production company, *Sausage Software*, to learn what makes B2C and B2B click!

Through interviews with key *Sausage* people, plus footage shot at *Sausage's* Melbourne production studios, this program explores:

- how B2C differs from conventional customer selling and marketing
- the advantages and disadvantages of B2C over conventional selling
- which types of business are best suited to expanding on-line
- the security issues surrounding on-line sales
- the essential partnership role played by banks in e-Commerce
- what's involved in setting up a successful B2C on-line presence
- the relationship between an on-line B2C site, and a business' overall marketing strategy
- the differences between B2C and B2B
- the advantages and disadvantages of businesses making on-line transactions
- the concept of business portals (using *BHP Ltd's* new international procurement portal as a succinct real-life case-study)
- and the future of B2B

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Program Application:

This video will quickly become an essential learning resource for senior students of computing, information technology, business management and marketing - and is tailored to the (new) *VCE Information Technology* course, as well as the *NSW HSC Computer Studies* course - and other similar courses nationwide.

Students of *VCE* and *HSC Business Management* will also find invaluable insights into the modern application of IT to market products and services to customers, and to establish successful e-Business relationships with other on-line firms.

TAFE and other tertiary students of *Information Technology*, *Computing Studies*, *Business Management and Marketing* will also find this an extremely valuable resource.

Program Content:

Set your video time counter at zero at the head of the program to quickly search and find the following segments:

00:00 - Program Start - the program opens at Melbourne's Victoria Market to give a brief introduction to the revolutionary role of information technology in world commerce.

xx:xx - Old versus New Economies - compares the traditional 'old world' method of 'face to face' business transactions, with the 'new world' methods of e-commerce; namely B2C (Business to Consumer) and B2B (Business to Business).

xx:xx - Introducing: 'B2C e-Commerce' - visits Sausage Software to explore aspects of B2C, such as its advantages and disadvantages over the traditional retailing model, what goods or services are best suited to on-line selling, the role of banks, the issue of data security, how to create an on-line commercial web site to sell direct to browsing customers, and the importance of e-Commerce in a business' overall goals - not just those of its marketing department.

xx:xx - Introducing: 'B2B e-Commerce' - again takes us to Sausage Software to explore aspects of B2B, such as its advantages and disadvantages over traditional inter-business interactions, what businesses are best suited to on-line transactions, the potential cost savings through e-Procurement, the rationale behind BHP's new on-line business procurement site, the typical costs to establish a leading on-line business portal, and the potential threat to the future of businesses that avoid going on line.

xx:xx - Program Ends with Credits

Using the Program:

This 21 minute program is ideal for showing in a single class. After the short introduction there follows two interrelated segments that can be shown sequentially over two classes if preferred, with teachers advised to leave enough time in a single or double session for introductory, then follow-up discussions or brief class activities.

Activities Before Viewing:

The following activities could be done as a whole class, in small groups, or individually before viewing the program.

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Discuss with students their knowledge or thoughts about:

- how to buy something on-line
- the risks of buying on-line versus the advantages of buying on-line
- what products could be confidently bought on-line without seeing, trying or touching first
- what products or services that couldn't be sold on-line - and why
- who might be buying these products or services on-line
- how large businesses traditionally interact with each other to order, deliver, and track bought goods
- the possible advantages and disadvantages for large businesses of doing their transactions with other businesses on-line
- the steps and costs involved in setting up a typical B2C and B2B web site

Also discuss with students their views on:

- what most customers might expect of an on-line web site selling goods directly to browsers
- the effect of global e-commerce on world economies (ie: monetary exchange rates, taxation, price control and monopoly, etc)

Activities After Viewing:

Teachers can choose to discuss the program's content with their class, or ask students to complete the attached work sheet. If time permits, the following small group or individual activities could also be useful:

- ask students to graphically explain the steps (followed by Sausage Software) in developing a new e-Commerce B2C web site
- ask students to go on-line and assess / compare several e-Commerce web sites, noting how orders are placed, site security, functionality, ease of use, how payments are made, delivery charges, the overall price of goods compared to buying locally, etc.
- ask students to conduct their own (verbal or questionnaire based) survey of friends or relatives who use the web, regarding on-line e-Commerce - tackling issues such as data security (for credit card details), pricing, range of goods, etc

Program Notes:

B2C e-Commerce Model...

- 1) Customers browse 'virtual shop'
- 2) Purchase via 'secure transaction area'
- 3) Customers submits credit card details
- 4) Ordered goods are dispatched

Building an e-Commerce solution...

- 1) Initiation - defines client's needs
- 2) Scoping - what is this project?
- 3) Specifications - details of site components
- 4) Design - working out the solution
- 5) Development - developing the design solution
- 6) Testing - making sure it all works
- 7) Deployment - where will the site live?
- 8) Maintenance - carried out over life of site

Before B2B e-Commerce

- telephone

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- fax
- telex
- personal meetings
- paper-based financial transactions
- etc

Post B2B e-Commerce

- web-based communications
- Email
- electronic ordering, inventory, dispatch & payments

B2B Financial Savings...

Traditional bank transaction - US\$1.07

On-line financial transaction -

US\$0.07

Saving of 99%

Source: US Dept of Commerce, 2000

Future program suggestions or comments on this production can be E-mailed direct to the producers by visiting the following Web Site: **Media Australia** at <http://www.mediaust.com.au>

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CLASS ACTIVITY SHEET:

The following questions relate directly to the areas covered in the program: **Exploring e-Commerce**. They will require at least short sentence or paragraph answers and may be answered individually, in groups, or discussed as a class after viewing the program.

- 1) What does the 'e' stand for in the term 'e-Commerce'?
- 2) What is B2C?
- 3) What is B2B?
- 4) How does the 'old world' economy work?
- 5) What are the key advantages to customers (on-line browsers) of on-line B2C?
- 6) What is meant by a 'secure transaction' - and how is data made secure?
- 7) Why were the world's banks reluctant to back e-Commerce in the early to mid 1990s?
- 8) What was the web used for initially (ie: in the early 1990s)?
- 9) What made the banks change their minds about endorsing e-Commerce?
- 10) What goods or services are best suited to selling on-line?
- 11) What are some of the key steps involved in developing a successful e-Commerce B2C web solution / site (according to Sausage Software)?
- 12) How does B2B differ from B2C?
- 13) How did businesses interact before the arrival of e-Commerce?
- 14) What are the key benefits of moving to B2B transactions?
- 15) Why have BHP and its 14 partners decided to establish a B2B e-Procurement portal?
- 16) According to Sausage Software, what is the cost range to create an effective B2B presence on-line?
- 17) Why do you think such sites are so expensive to create?
- 18) How true do you think it is that '...if you're in business today and NOT on-line, then tomorrow you may well be OUT of business...'?