

# Chapter 13

## E-Commerce

### ABSTRACT

*The chapter outlines the importance of being connected over the internet and the opportunities the world wide web (WWW) offers to the foodservice industry. Restaurants, bars, and catering companies can significantly benefit from the exposure a website gives them internationally 24/7/365. Today's business landscape is far more connected worldwide than ever before. Not having a presence on the internet with a website and or an e-commerce business means being left out without exposure and without the possibility of expanding the business. The questions a foodservice operator should ask are not about the need for the internet and a website, but rather how much should be invested in it. Millions of businesses like restaurants worldwide have benefited from their website and presence on the WWW. The opportunities to increase revenue and compete against others have never been greater, from online table reservation systems to selling recipe books and merchandise.*

### INTRODUCTION

With the evolution of the Internet, the business world has become increasingly involved in the practice of using the so-called “World Wide Web” (WWW) or the “information superhighway”, to deal with unlimited business undertakings. The Internet is a collection of interconnected computer networks that provide free exchanging of information all the time.

Table 1 shows the world internet usage and statistics by continents. As of December 2019, about 57% of the world's population, or 4,574,150,134 people, use the Internet. The largest share of users is in Asia, with 50.3% usage as a ratio to the total world's usage. As such, the Internet has become a powerful channel for business marketing and communication, and new business opportunities - as it is often called as “e-business” or “e-commerce” today (Napier et. al, 2001; Flynn & Anderson, 2003).

This virtual marketplace allows all companies to compete for the same products or services they provide. Under the same wave, online customers can enjoy a more extensive choice of products or services, more competitive prices and discounts, and being able to buy their favorite products or services from the sellers located anywhere on the globe.

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Table 1. World internet usage and population statistics, World Internet Users and 2020 Population Stats

WORLD INTERNET USAGE AND POPULATION STATISTICS 2019 Year-End Estimates						
World Regions	Population (2020 Est.)	Population % of World	Internet Users 31 Dec 2019	Penetration Rate (% Pop.)	Growth 2000-2020	Internet World %
<b>Africa</b>	<b>1,340,598,447</b>	17.2%	<b>526,374,930</b>	39.3%	11,559%	11.5%
<b>Asia</b>	<b>4,294,516,659</b>	55.1%	<b>2,300,469,859</b>	53.6%	1,913%	50.3%
<b>Europe</b>	<b>834,995,197</b>	10.7%	<b>727,814,272</b>	87.2%	592%	15.9%
<b>Latin America / Caribbean</b>	<b>658,345,826</b>	8.5%	<b>453,702,292</b>	68.9%	2,411%	10.0%
<b>Middle East</b>	<b>260,991,690</b>	3.9%	<b>180,498,292</b>	69.2%	5,395%	3.9%
<b>North America</b>	<b>368,869,647</b>	4.7%	<b>348,908,868</b>	94.6%	222%	7.6%
<b>Oceania / Australia</b>	<b>42,690,838</b>	0.5%	<b>28,775,373</b>	67.4%	277%	0.6%
<b>WORLD TOTAL</b>	<b>7,796,615,710</b>	<b>100.0%</b>	<b>4,574,150,134</b>	<b>58.7%</b>	<b>1,167%</b>	<b>100.0%</b>
NOTES: (1) Internet Usage and World Population Statistics estimates are for Dec 31, 2019, as of March 3, 2020. (2) CLICK on each world region name for detailed regional usage information. (3) Demographic (Population) numbers are based on data from the <a href="#">United Nations Population Division</a> . (4) Internet usage information comes from data published by <a href="#">Nielsen Online</a> , by the <a href="#">International Telecommunications Union</a> , by <a href="#">GfK</a> , by local ICT Regulators and other reliable sources. (5) For definitions, navigation help and disclaimers, please refer to the <a href="#">Website Surfing Guide</a> . (6) The information from this website may be cited, giving the due credit and placing a link back to <a href="#">www.internetworldstats.com</a> . Copyright © 2020, Miniwatts Marketing Group. All rights reserved worldwide.						

Source: Internet World Stats: <https://www.internetworldstats.com/stats.htm>

The Internet also provides communication between consumers and companies and through electronic data interchange (EDI), buyers and sellers can exchange standard business transactions such as invoices or purchase orders with remarkably easy.

## What is E-Commerce?

E-commerce involves multiple transactions or payment information transfer across a secure internet connection in exchange for goods and services. Retail e-commerce represents trade, commercialism, mercantilism, and all other business transactions for business, personal or commercial activities that have the sole objective of supplying commodities via an online storefront. E-commerce has been defined as “the buying and selling of products and services by businesses and consumers over the Internet.” E-commerce refers to both online retail and online shopping as well as electronic transactions.

Entrepreneurial firms and research institutes invest in exceptional people with bold ideas, freeing them to go beyond the domain of traditional research labs and venture funds. They use the Internet’s power to transform existing processes, making them better, faster, and more efficient.

The Internet and e-commerce give consumers an opportunity, through the easy online information gathering and convenient online shopping, to be better prepared to purchase the right product or service at the right time. New entrepreneurs from traditional small to medium-sized businesses are the pioneers exploring the forefronts of e-commerce.

E-commerce is governed by the Department of Commerce, created in 1913; it is the federal organization with the United States that promotes and administers domestic and foreign trade. The DOC monitors

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