

Electronic Commerce

What is it?

Electronic commerce refers to the conduct of business activities — including production, distribution, purchasing, sales and other transactions — by means of advanced communications and computer technologies. Electronic commerce also includes transactions involving automated banking machines, credit cards, debit cards, electronic data interchange and the Internet.

Business and governments in Canada have recognized the considerable potential of electronic commerce as a vehicle for global trade and investment, a way to generate high-quality jobs and a boon for consumers who can now purchase products and services from all over the world more easily than ever before.

Who's involved?

As part of its Connecting Canadians initiative, the Government of Canada has launched a comprehensive strategy to encourage the development of electronic commerce.

In collaboration with the provinces, territories, private-sector and other stakeholders, the federal government released Canada's Electronic Commerce Strategy in September 1998. This framework focusses on building trust, clarifying rules and providing access to the Internet. The Government of Canada is delivering on a policy framework of seven "firsts":

- a technology-neutral taxation regime
- a policy on cryptography
- legislation governing the protection of personal inform

- a legal framework for digital signatures and electronic documents
- guidelines for consumer protection
- a Canadian electronic commerce standards "roadmap"
- a policy framework for the Government of Canada's public key infrastructure.

Canada is also working in the international community to establish a global environment for business growth and consumer acceptance of electronic commerce. To this end, it demonstrated its commitment to global collaboration in October 1998, when the Government of Canada and the Organisation for Economic Co-operation and Development hosted a major conference in Ottawa on international electronic commerce.

The challenge now is to help Canadians reap the social and economic benefits of electronic commerce.

How does it work?

Electronic commerce is more than simply buying and selling over Web sites. It also means using the Internet as a core part of business strategy and processes.

Many companies start with the idea of the Web as a marketing tool. Without linking marketing to company operations and suppliers, however, the Internet falls far short of its potential. The real benefits of electronic commerce are realized by integrating all business processes. Networked companies are able to develop products, receive orders, communicate with suppliers, arrange production and delivery, and service customers — all with no delays. The results are reduced production costs and inventory, and improvements in order fulfilment and customer service.



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How can you get started?

Examine your business

- ☛ Assess your existing business processes, including sales, distribution, production, design and customer relations. Look for opportunities to link processes using Internet-based technology.
- ☛ Consult your customers and suppliers to see how the Internet can speed up and simplify ordering, processing and distribution.

Learn by example

- ☛ Many companies are successfully using electronic commerce as a business tool. Private sector suppliers of hardware and software can demonstrate how effective electronic commerce business practices can be. Visit <http://e-com.ic.gc.ca> for some examples.

Invest in the technology

- ☛ Establish a Web site.
- ☛ Migrate existing information systems to Internet-based systems.
- ☛ Establish links to customers and suppliers.

You may want to visit the following sites for some useful information on electronic commerce:

Electronic Commerce Task Force Web site:
<http://e-com.ic.gc.ca>

Strategis — Industry Canada's business Web site: <http://strategis.ic.gc.ca>

For more information, please contact:
Telephone: 1-800-575-9200
TTY: 1-800-465-7735

