Ch1-1 Introduction to E-Business and E-Commerce

BCOM4202 (E-Business Management)

Business Computer Dept. Management Science Fac.

CMRU

Agenda

- The Impact of the electronic communications on traditional business

- What is the difference between e-Commerce and e-business ?

- E-business opportunities

- Business Adoption of digital technologies for the e-commerce and e-business

- E-business risk and barriers to business adoption

- Management responses to e-commerce and e-business

The Impact of the electronic communications on traditional business

- The growth in popularity of **social networks** , **blogs** created by many individuals and businesses

- **Rich media** such as online video and interactive applications into their websites

- High usage of **mobile Commerce** cause of development mobile device in the world like a smartphone or tablet (see statistic)

- Using **location based** tracking of goods and inventory as they are manufactured and transport

Social Network

A site that facilitates peer-to-peer communication within a group or between individuals through providing facilities to develop user-generated content (UGC) and to exchange messages and comments between different users.

Virtual words

An electronic environment which simulates interactions between online characters known as avatars. Also known as Massively Multiplayer Online Roleplaying Games (MMORPG).

Blogs

Personal online diary , journal or news source compiled by one person , an internal team or external guest authors. Postings are usually in different categories. Typically comments can be added to each blog posting to help create interactivity and feedback.

Rich media

Digital assets such as ads are not static images, but provide animation, audio or interactivity as a game or form to be completed

Mobile Commerce

Electronic transactions and communications conducted using mobile devices such as laptops, PDAs and mobile phones, and typically with a wireless connection.

Mobile Commerce Growth

Two research firms project rapid growth in mobile commerce revenue from 2009 to 2015.

Source: Coda Research Consultancy & ABI Research.

In $billions

$23.8

$17.5

$11.7

$10.7

Coda Research Consultancy

$7.4

$4.4

$2.4

$1.2

$1.2 $2.1 $3.2

ABI Research

2009 2010 2011 2012 2013 2014 2015

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1/2014

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Location based service ; LBS

Location-based services (LBS) are a general class of computer program-level services that use location data to control features. As such LBS is an information service and has a number of uses in social networking today as an entertainment service, which is accessible with mobile devices through the mobile network and which uses information on the geographical position of the mobile device. This has become more and more important with the expansion of the smartphone and tablet markets as well. LBS are used in a variety of contexts, such as health, indoor object search, entertainment, work, personal life, etc.

Location Based Marketing
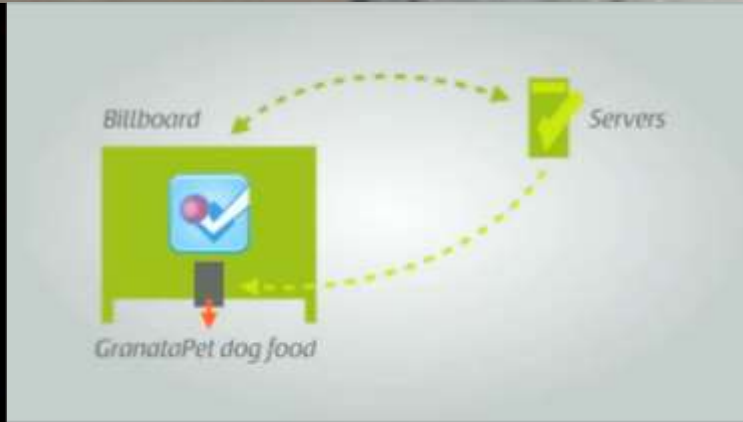
You can see that an organization's capability to manage technology-enabled change is the essence of successfully managing e-business. The pace of change and the opportunities for new communications approaches make e-business and e-commerce an exciting area of business to be involved in

E-Commerce

E-commerce defined

Electronic commerce (e-commerce) is often thought simply to refer to **buying and selling using the Internet** ; people immediately think of consumer retail purchases from companies such as Amazon.com But e-commerce involves much more than electronically mediated financial transactions between organizations and customers. E-commerce should be considered as all electronically mediated transactions between an organization and any third party it deals with. By this definition, non-financial transactions such as customer requests for further information would also be considered to be part of e-commerce.

"E-commerce is the exchange of information across electronic networks, at any stage in the supply chain, whether within an organization, between businesses, between businesses and consumers, or between the public and private sector, whether paid or unpaid." (Cabinet Office, 1999)
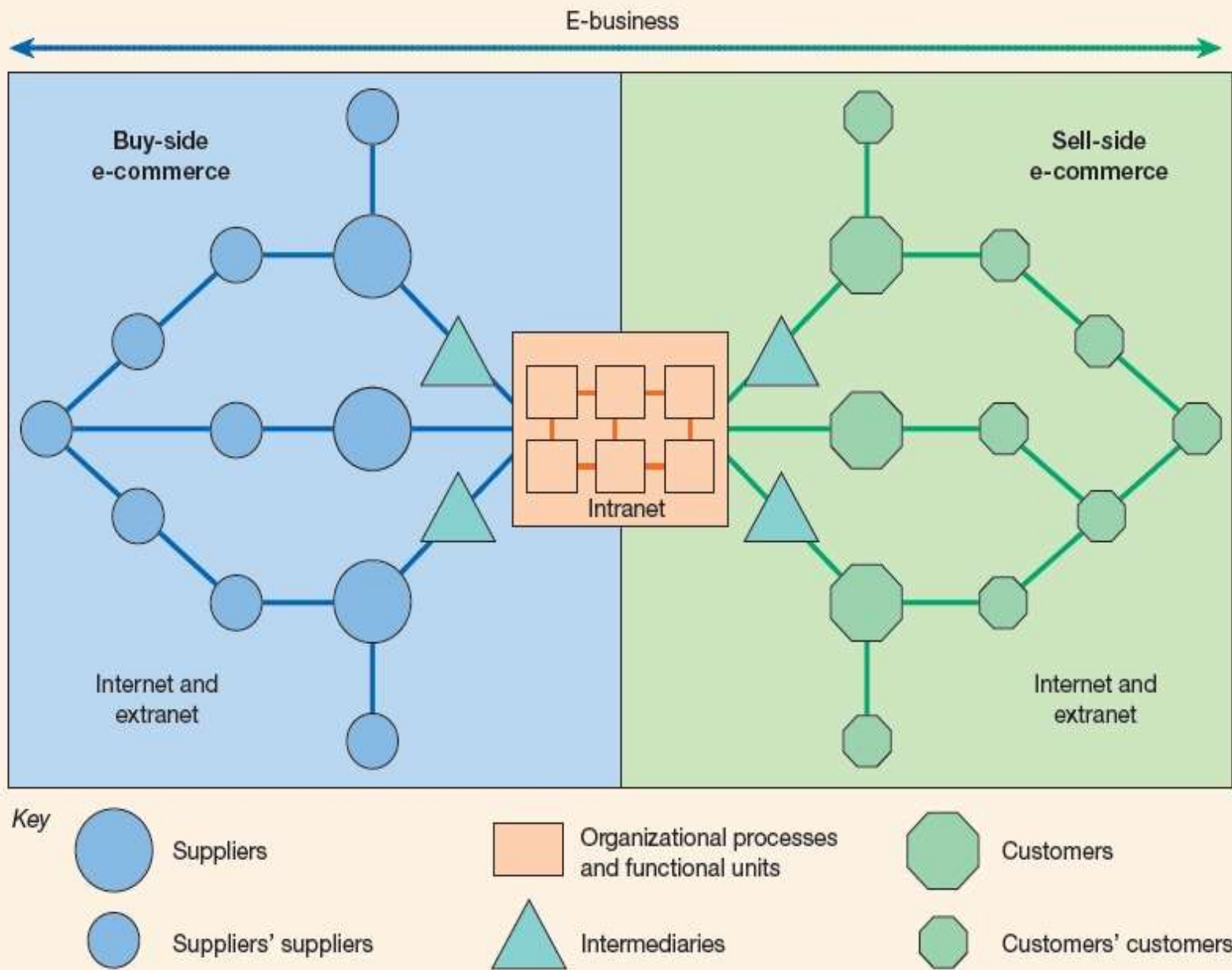
amazon.com

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

E-business

Buy-side e-commerce

Sell-side e-commerce

Internet and extranet

Intranet

Internet and extranet

Key
- Suppliers
- Suppliers' suppliers
- Organizational processes and functional units
- Intermediaries
- Customers
- Customers' customers

Buy side

On the buy side you represent your client to a specific seller in the market whether they may be security market deals or asset deals

Also you look into reducing the valuation for your client and supervise processes like due diligence and valuation

Sell side

On the sell side you pitch your client's products to various interested investors

Here you try to improve the valuation of your product whether it is an asset or whether securities of your company.

Buy-side e-commerce

E-commerce transactions between a purchasing organization and its suppliers.

Sell-side e-commerce

E-commerce transactions between a supplier organization and its customer
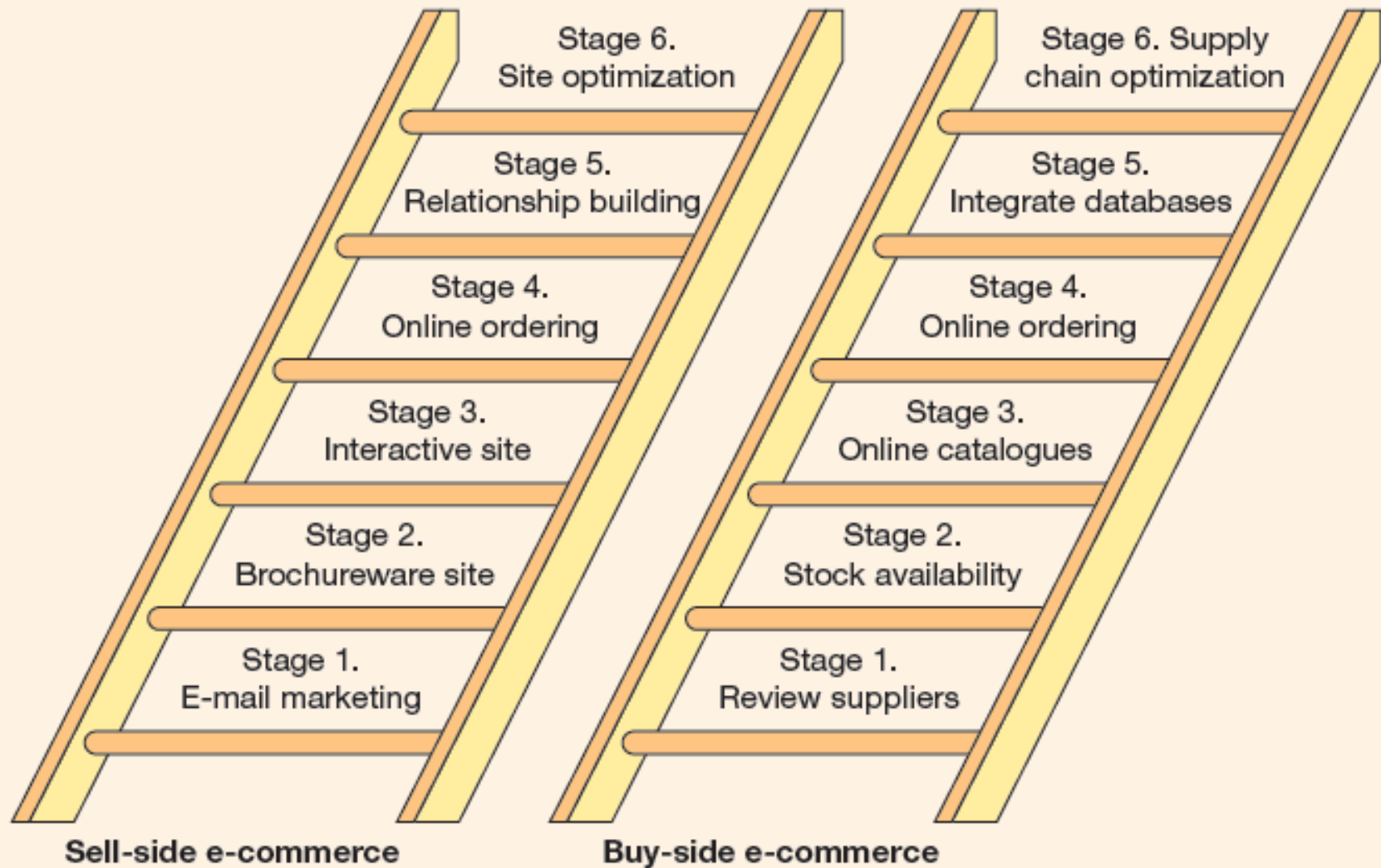
| Figure 1.13 | A simple stage model for buy-side and sell-side e-commerce |

Sell-side e-commerce

- Stage 6. Site optimization
- Stage 5. Relationship building
- Stage 4. Online ordering
- Stage 3. Interactive site
- Stage 2. Brochureware site
- Stage 1. E-mail marketing

Buy-side e-commerce

- Stage 6. Supply chain optimization
- Stage 5. Integrate databases
- Stage 4. Online ordering
- Stage 3. Online catalogues
- Stage 2. Stock availability
- Stage 1. Review suppliers

	From: Supplier of content/service		
	Consumer or citizen	**Business (organization)**	**Government**
To: Consumer of content/service — Consumer or citizen	**Consumer-to-Consumer (C2C)** • eBay • Peer-to-Peer (Skype) • Blogs and communities • Product recommendations • Social networks: MySpace, Bebo	**Business-to-Consumer (B2C)** • Transactional: Amazon • Relationship-building: BP • Brand-building: Unilever • Media owner – News Corp • Comparison intermediary: Kelkoo, Pricerunner	**Government-to-Consumer (G2C)** • National government transactional: Tax – inland re venue • National government information • Local government services
Business (organization)	**Consumer-to-Business (C2B)** • Priceline • Consumer-feedback, communities or campaigns	**Business-to-Business (B2B)** • Transactional: Euroffice • Relationship-building: BP • Media Owned: Emap business publications • B2B marketplaces: EC21	**Government-to-Business (G2B)** • Government services and transactions: tax • Legal regulations
Government	**Consumer-to-Government (C2G)** • Feedback to government through pressure group or individual sites	**Business-to-Government (B2G)** • Feedback to government businesses and non- go vernmental organizations	**Government-to-Government (G2G)** • Inter-government services • Exchange of information

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

Electronic business (e-business)

All electronically mediated information exchanges, both within an organization and with external stakeholders supporting the range of business processes.

e-business; the transformation of key business processes through the use of Internet technologies.

Electronic business (e-business)

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                    e-Business
        ┌──────┬──────┼──────┬──────┐
       EC      CRM    SCM    ERP    BI
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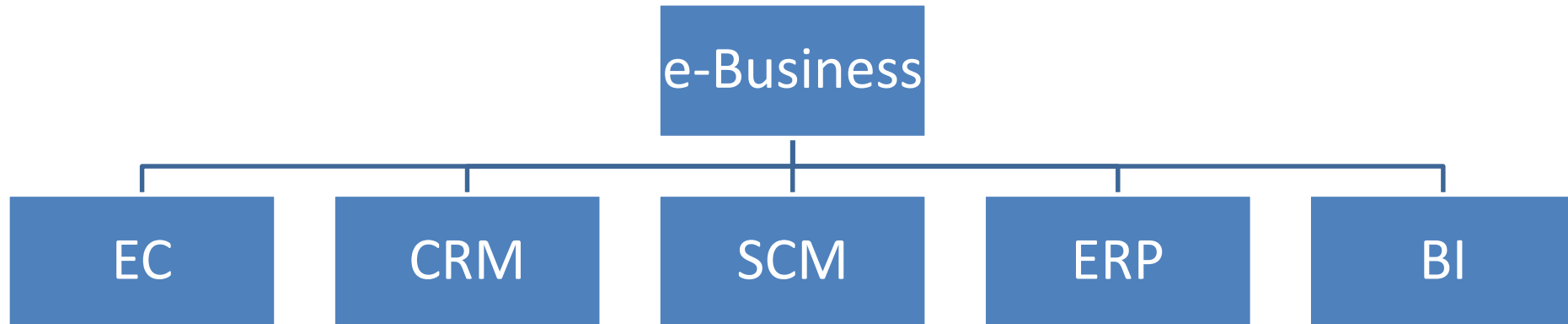
BI=Business Intelligence
EC=E-Commerce
CRM=Customer Relationship Management:
SCM=Supply Chain Management
ERP=Enterprise Resource Planning

What is the difference between e-Commerce and e-business ?
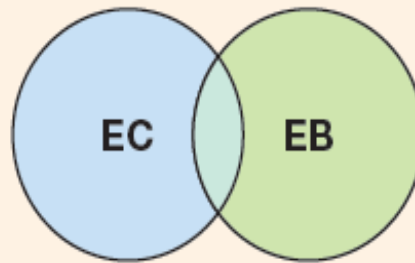
(a) EC │ EB — Electronic commerce (EC) has some degree of overlap with electronic business (EB)
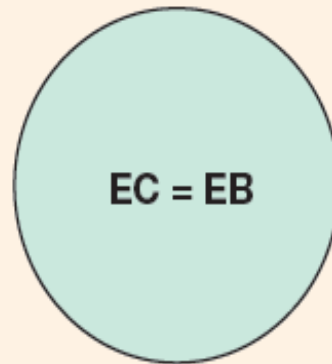
(b) EC = EB — Electronic commerce is broadly equivalent to electronic business
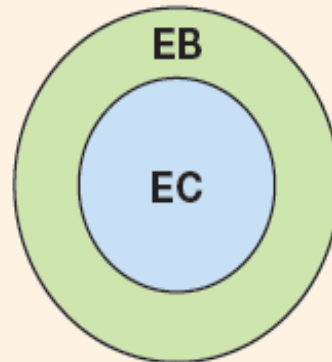
(c) EB / EC — Electronic commerce is a subset of electronic business

Figure 1.3 Three definitions of the relationship between e-commerce and e-business
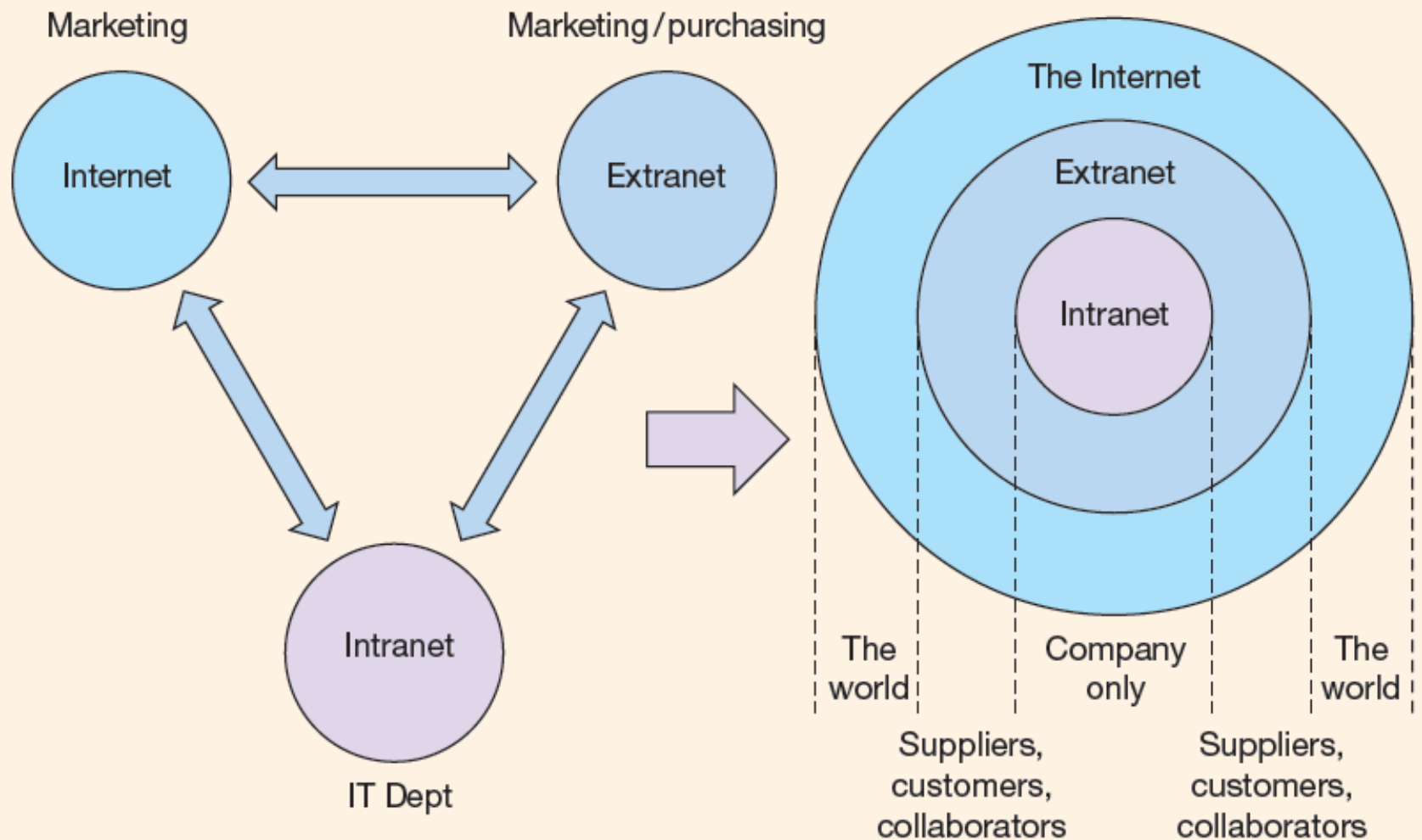
Figure 1.4 — The relationship between intranets, extranets and the Internet

Marketing — Internet

Marketing/purchasing — Extranet

IT Dept — Intranet

The Internet
Extranet
Intranet

The world | Company only | The world

Suppliers, customers, collaborators

Suppliers, customers, collaborators

Activity 1

Type into Google the following phrases these phrases and translate it in your white paper in 10 Min

following phrase showned as below

(i) 'E-business'

(ii) 'E-commerce'

(iii) 'Internet marketing'

(iv) 'E-marketing'

(v) 'Digital marketing'

Intranet

A private network within a single company using Internet standards to enable employees to access and share information using web publishing technology. (LAN ; Local Area Networks)
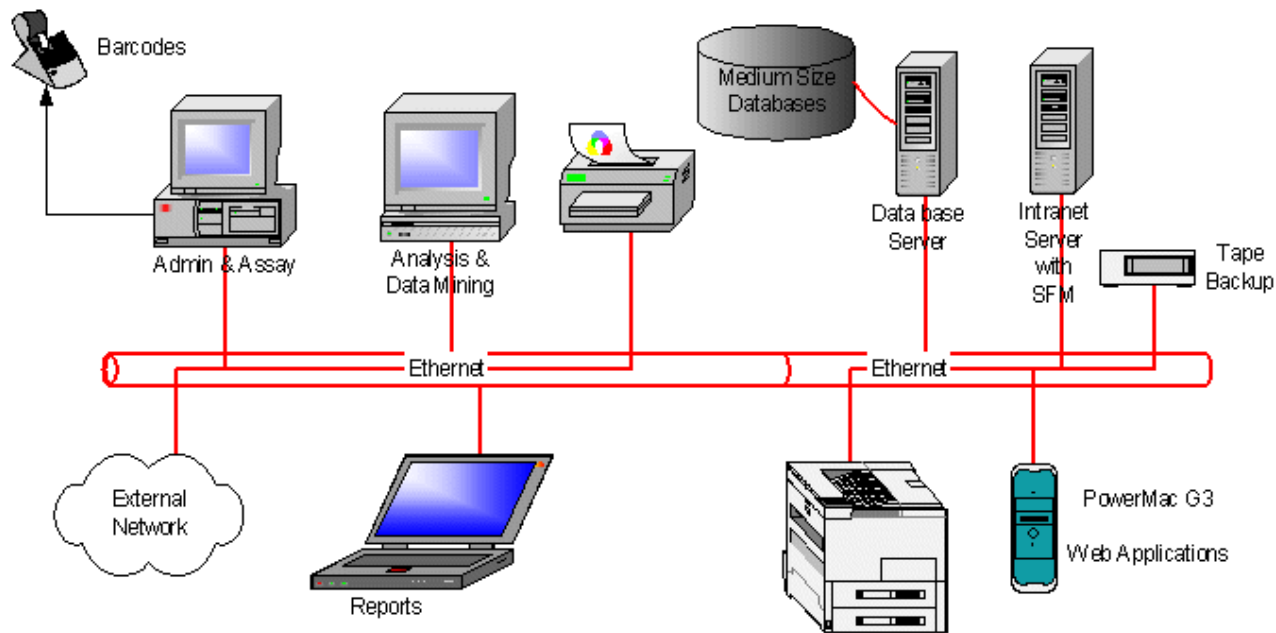
Extranet

A service provided through Internet and web technology delivered by extending an intranet beyond a company ton customers, suppliers and collaborators
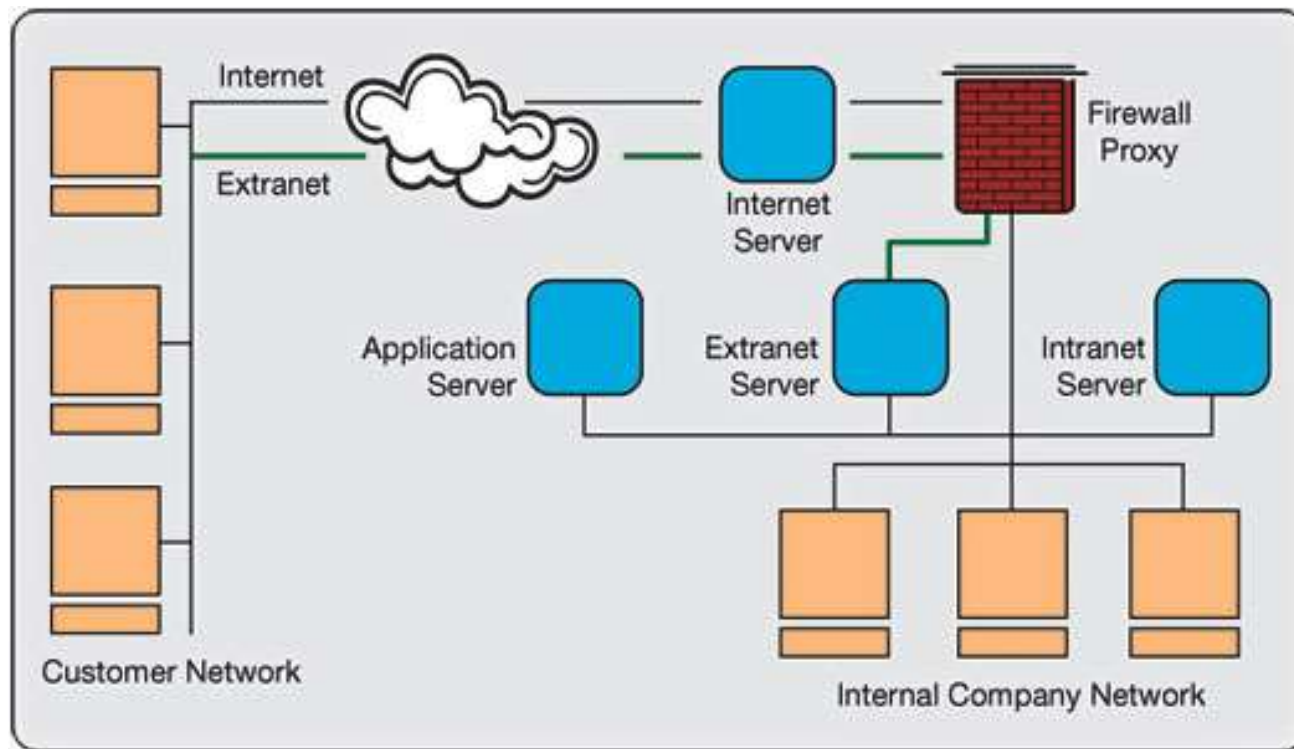
Virtual Private Network (VPN)
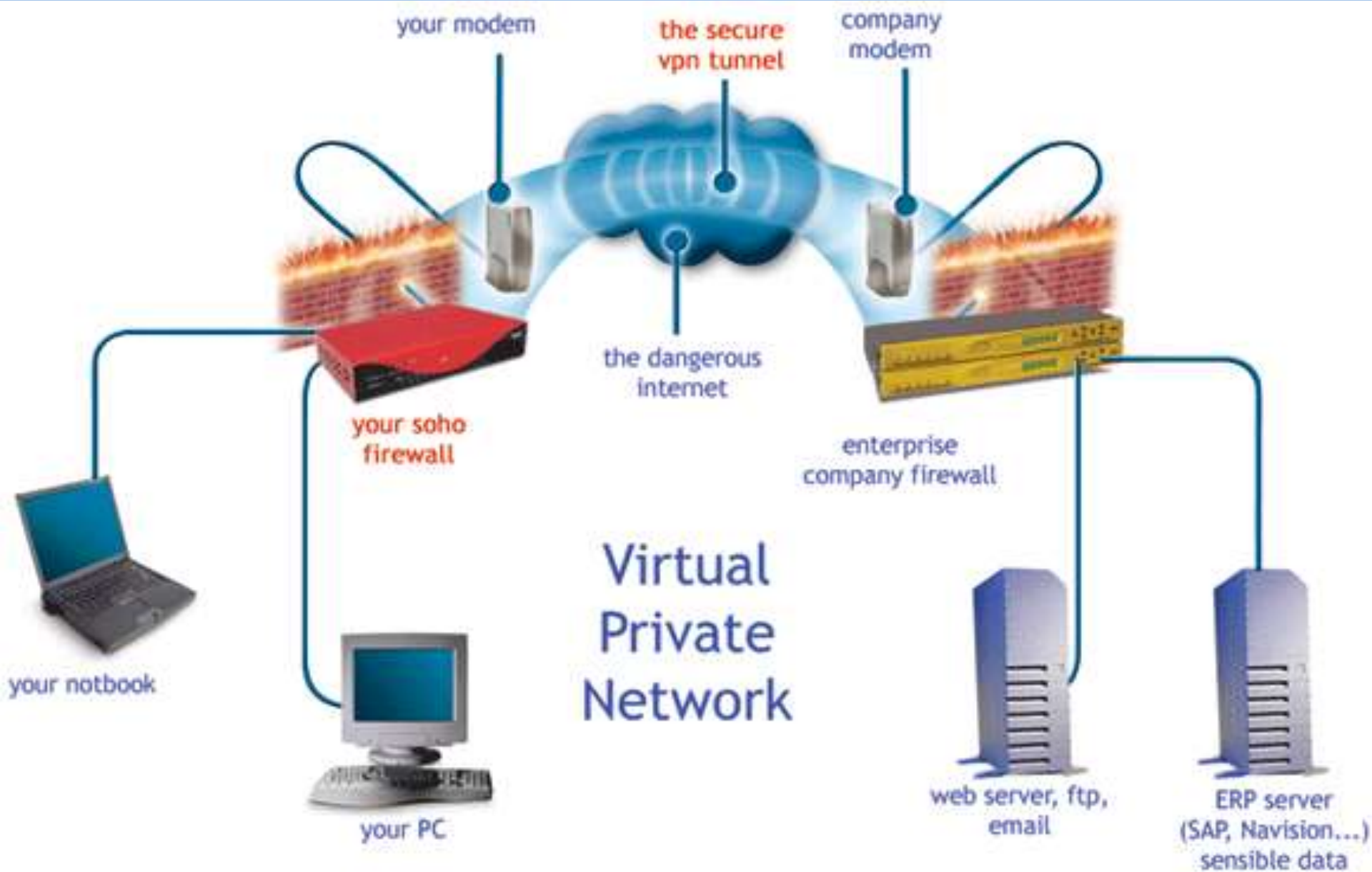
How different between Intranet - Extranet
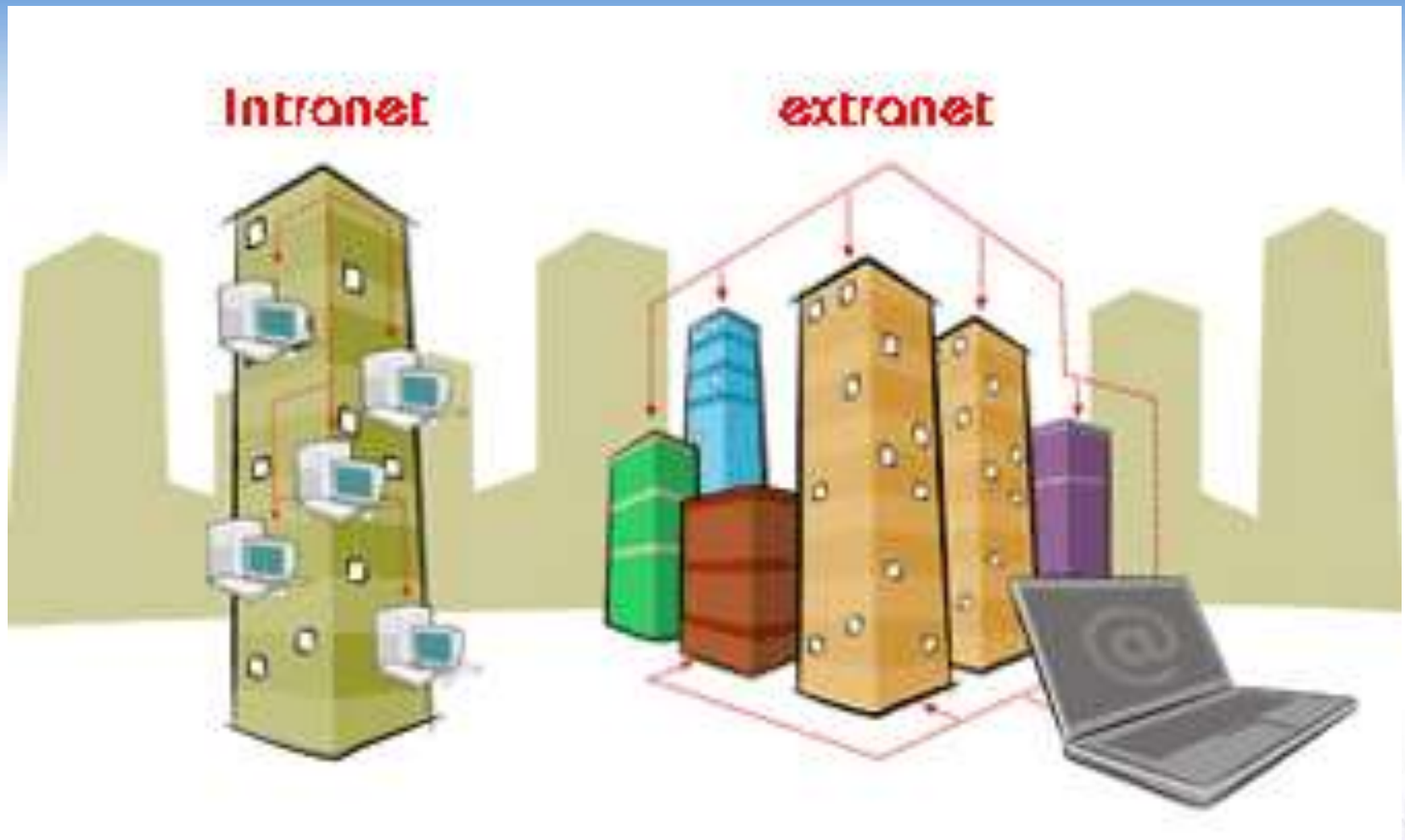
Internet

The **Internet** is a global system of interconnected computer networks that use the standard Internet protocol suite (TCP/IP) to link several billion devices worldwide. It is an international *network of networks* that consists of millions of private, public, academic, business, and government packet switched networks, linked by a broad array of electronic, wireless, and optical networking technologies. The Internet carries an extensive range of information resources and services, such as the inter-linked hypertext documents and applications of the World Wide Web (WWW), the infrastructure to support email, and peer-to-peer networks for file sharing and telephony.

Different types of sell side e-Commerce

1.Transactional e-commerce sites. These enable purchase of products online. The main business contribution of the site is through sale of these products. The sites also support the business by providing information for consumers that prefer to purchase products offline. These include retail sites, travel sites and online banking services.

2. Services-oriented relationship-building web sites. Services-oriented relationship-building web sites. Provide information to stimulate purchase and build relationships. Products are not typically available for purchase online. Information is provided through the web site and e-newsletters to inform purchase decisions. The main business contribution is through encouraging offline sales and generating enquiries or leads from potential customers. Such sites also add value to existing customers by providing them with detailed information to help support them in their lives at work or at home.

3. Brand-building sites. Provide an experience to support the brand. Products are not typically available for online purchase. Their main focus is to support the brand by developing an online experience of the brand. They are typical for low-value, high-volume fast-moving consumer goods (FMCG brands) for consumers.

4. Portal,publisherormediasites. Provide information,news or entertainment about a range of topics.'Portal'refers to a gateway of information.This is information both on the site and through links to other sites. Portals have a diversity of options for generating revenue, including advertising,commission-based sales,sale of customer data (lists).Social networks can also be considered to be in this category since they are often advertising-supported.
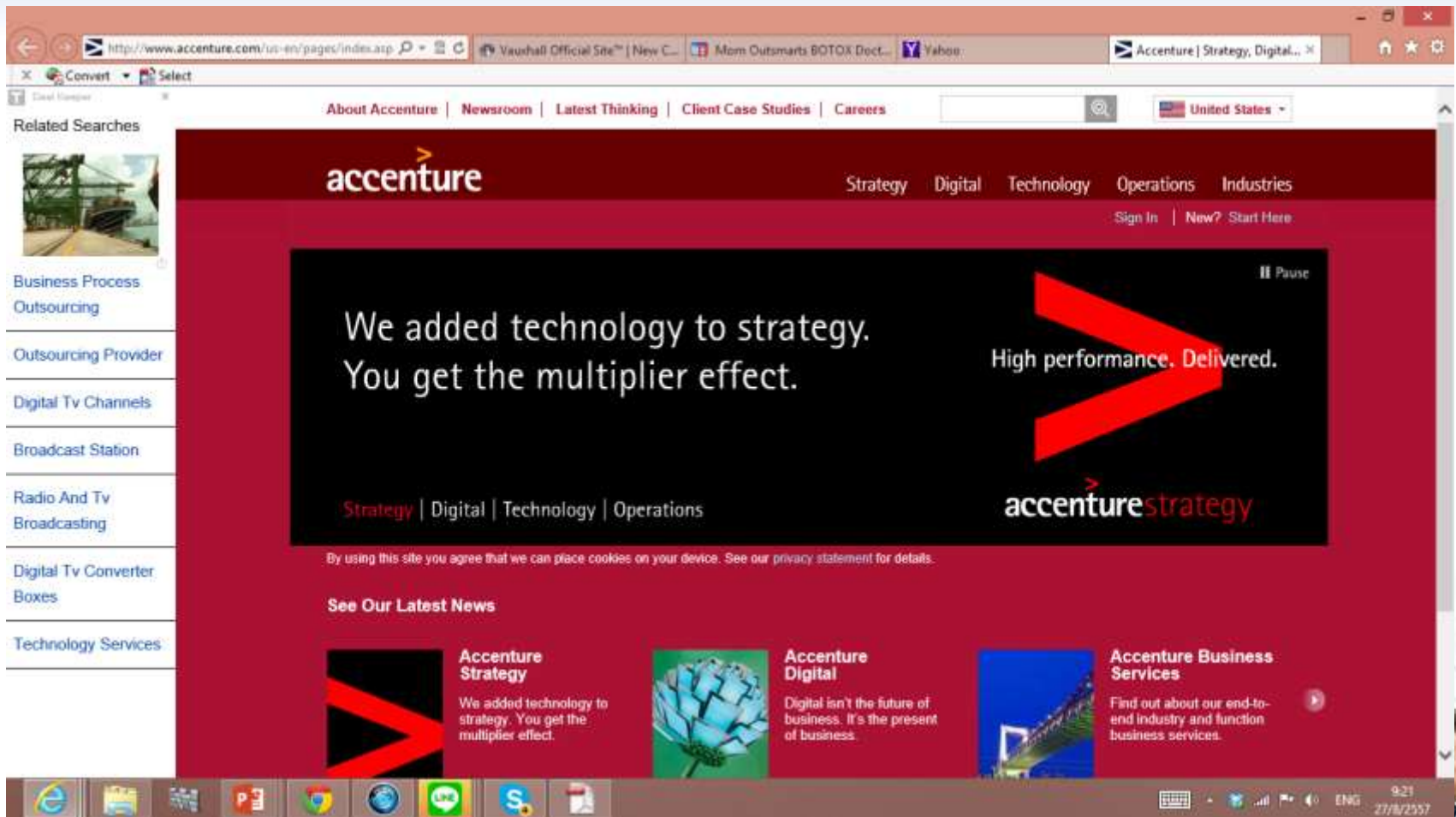
Transactional e-commerce sites.

Services-oriented relationship-building web sites

Brand-building sites

Portal publisher or media sites.

Act.2 (Homeworks)

Questions (send me to kulachatrakul@gmail.com)

1) Identify the different components of e-business described in this speech and

assess their relative impact on the organization.

2) Describe these terms such as e-CRM, e-marketing, e-logistics, e-procurement,

e-tail and e-government fit within this description?

Answers to activities can be found at
www.pearsoned.co.uk/chaffey

Ch1-2
e-Commerce Fundamental