



CORNERSTONE OF MARKETING AND ECONOMICS: E-BUSINESS AND E- COMMERCE.

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ABSTRACT

Service organizations often need to consider in depth, the Human resource management strategies that will enable them to achieve sustained competitive advantage to the e-commerce era. This research primarily focuses on the difference between e-business and e-commerce. This paper analyses the strategies developed to accommodate the changing customer service practices with the help of e-business and e-commerce. Prior to the eighteenth century, a broad reading identified “business” with all gainful economic activities. “However “commerce” meant “intercourse” and it had a strong social connotation. “Commerce” was interaction and exchange between persons or people. To have commerce with someone meant to converse with them, meet or interact with them. Understanding “commerce” in its original sense of “intercourse” is consistent with all of the evidence offered by rival theories of commerce as trade or economic theory”. On the other hand business is termed as a “commercial activity”. In layman’s terms, a commercial activity means performing services. Based on original examples and case studies, it describes how e-business and e-commerce are linked to each other and have a thin line of difference. This paper helps to assess that the scope of business is wider than commerce.

Keywords: Commerce, Intercourse, Human resource, E-commerce, E-business, commercial activity

Introduction

The term “Business” has evolved over time. “Traditionally it involved exchange of articles, goods and food items among the local village people and it was primarily need based in nature. This system further developed into an arrangement where businessmen were required to travel to places for selling goods or individuals had to go to the shops to buy any item they need.” Formerly, in economics we heard the term ‘barter system’ wherein the buying and selling was carried out in the form of an exchange of useful articles and then this slowly changed into monetary transactions. Establishing a contact and connection between the buyers and sellers was a tedious task.. this made the need of middlemen. “This process involved farmers selling raw materials to the local merchants and the local merchants selling it to some industry to convert it into the finished good. But, these middlemen reduced the efficiency and reduced the pace of business. Post 1990’s era, the Internet took a head start and the invention of world wide web and its usage in business sector changed the overall scenario. E-Commerce became the buzzword in business. “The most important part of e-business is to use internet and electronic communication system to deliver business values and use it effectively in business transactions. Therefore we must say that e-business system enables marketing buying, selling, delivering, servicing and payment of products, services and information primarily across non-priority networks.”

“While e-business refers to the process of conducting the whole business electronically and it is not merely limited to monetary and outward business transactions. E-commerce also refers to the process of creating financial exchange with the use of digital medium. But e-commerce is the subset of e-business. E-commerce only includes monetary transactions, buying and selling.” On the other hand e-business include other transactions such as processes, planning, internal and external transactions and business activities.

Therefore, we know that e-business makes the platform available for knowledge about suppliers, retailers, specific areas and services along with the facilities for financial transactions empower business with knowledge. Further, the business models refer to the frameworks¹ along with various parties taking part in business. This research shall asses different models of the e-business and e-commerce and draw a line of distinction between the two. The other few activities are often confused to be within business or commerce, they might both belong in both of them. the e-business models deal with the business models that are empowered by e-commerce.²

¹ Lynda M. Applegate, excerpts form the E-business Handbook (The St. Lucie Press, 2002); available from http://hbswk.hbs.edu/tools/print_item.jhtml?id=3007&t=e-commerce.

² Casadesus-Masanell, R., & Ricart, J. E. (2010). From strat- egy to business models and onto tactics. Long Range Planning, 45(2-3), 195-2.

Background

“Tracing the history back, which led to the growth of the Internet, it was first created in 1969 by research funded by the U.S Department of Défense through its Advanced Research Project Agency (ARPA), which gave the internet its original name-ARPANET. Despite its military origins, civilian researchers heavily used ARPANET. The technology continued to grow in the 1970’s after the scientists Robert Kahn and Vinton Cerf developed Transmission Control Protocol (TCP) and Internet protocol (IP), a communications model that set standards for how data could be transmitted between multiple networks.”

In 1970, over these networks EDI was developed, that is, Electronic Data Interchange, as its simplest, EDI is the process of computer-to-computer, business-to business transaction transfer. “EDI involves the direct routing of information from one computer to another without interpretation and transcription by people, and to achieve this, the information must be structure according to predefined formats and rules which the computer can use directly.”

In 1971-72 the students of the University of Stanford and MIT in US, had an access to ARPANET. They started to sell Marijuana through the same. In the 1980’s people slowly started using credit cards and online transactions and ATM machines were new to the era. Soon people started using internet for the purpose of blogging mainly.

Post 1990’s, it was regarded as the internet era. The invention of the world wide web and its usage in the business sector changed the overall scenario. Increases connectivity. And effective ways of communication revolutionized business. The electronic communication networks empowered business transaction. Business became increasingly associated with market and economics. The advent of new technology and its use by the competitors forces the businesses to change the technology they are using. At the same time, response in the market from customers, buyers etc together they constitute the market forces.

In 2000, a lot of company’s showed interest in online business and www and http triggered the growth of new invention through the internet. A lot of companies fuelled investments in the stock market and gained profits. Few companies online buying and selling of goods and started e-commerce. From such profit, a lot of businessmen starting investing and this lead a lot of them with significant losses and many of such companies crashed. These companies were inspired by amazon, E-bay and Kozmo. This was he dot-comm bubble crash.

Research Objectives

There are certain aims achieved through electronic means or allied with e-commerce operations and involve the usage of electronic communications systems for transactions. There are primary business objectives for the organizations that are born on the web. Even in those organizations that are in process of transition, the research project has different perspective of viewing the topic and therefore has certain objectives:

“There is paradigm shift influencing both marketers and the customers. This significant change in business model is witnessing a tremendous growth around the globe and India is not an exception. A massive internet penetration has added to the growth of E-commerce and more particularly start-ups have been increasingly

using this option as a differentiating business model.” Thus, the primary objective is to **comprehend** the present status and trends of E-Business and E-Commerce. Since e-business empowers individuals, businesses and customers because of its ability to collect information available at an astounding pace. It is the knowledge built through this information that could make or break businesses. Therefore, it is to **apprehend** the major changes brought in due to the emergence of e-business.

There is often a confusion between classifying the technologies under E-business and E-commerce. Both of them have aims similar to each other, e-commerce is a subset of e-business and e-business is the entire process (internal and external of the organization). Hence other objective is to **assess** the thin line of difference between E-business and E-commerce.

Other most important objective is to **analyse** the system that enables marketing, buying, selling, delivering, transacting and payment through the network. These functions help the organization to link with its current and target customers, agents, suppliers and business partners, that is, extended organizations.

This research is to **establish** the link between enterprise and extended organization through different phases and techniques in marketing, they are mapped with specific individual roles. Based on these roles, e-business and e-commerce can be refined. For example- planning, organizing, staffing, controlling, launching the product, pricing, packaging, advertising and selling.

Research Methodology

The research so adapted is completely Descriptive and Exploratory in nature and contains definitions and characteristics of the given topic. Both these methods lean towards more qualitative research methods. It may include quantifiable data as the representation may be sought to be in charts, smart arts like relationships, matrix, process etc. and diagrams. The descriptive research is used for the sole purpose to describe and explain or validate some sort of objectives or hypothesis. An Exploratory which has been most adaptive in the present research is, it defines and investigates a problem which is not clearly defined. It is conducted to have a better understanding of the existing problem, but will not provide conclusive results. The researcher have also adopted historical research to understand the past events in an attempt to interpret the facts and explain the cause of such events. The Data so collected is secondary data and are analysed. The research is also content based research as it enumerates study through flow charts and format representation. The review and the study are occurred from various books and e-books. Journal articles from websites and e-data and other books from the library. A critical evaluation of all the facts and information are analysed. It is a pure and a basic research for knowledge.

Review Of Literature

The literature that was used in formulating this research paper was helpful, not just in factual learning but also drawing interpretations. The research was done from various books, articles and journals which were available online and also various news articles were utilized for a better understanding of the subject of E-Commerce and E-Business.

Explaining the wide scope of Marketing, **Philip Kotler** in his Article “A Generic Concept of Marketing”³ assesses what marketing includes. It says marketing evolved through a commodity focus, an institutional focus, a managerial focus and social focus. Marketing has emerged each time with a refreshed and expanded self-concept. This paper limits the concept of e-business and e-commerce within the scope of e-market. The paper only discusses about the governance and establishment of marketing and how it functions. The author only discusses marketing as a disciplined task of creating and offering values to others for the purpose of achieving desired responses.

Stephanie Jackle Movahedi-Lankarni in her Journal Article, “E-Commerce: Resources For Doing Business On The Internet”⁴, defines e-business, in its simple words, it stays that electronic business is a conduct of business via telecommunication-based tools. It states that it is e-business and not e-commerce. E-commerce on the other hand is just a subset of E-Business.

His “article also defines e-commerce, it states that electronic commerce is more than an exchange of funds and goods or services, it encompasses entire infrastructure of services, computer hardware and software products, technologies and complications formats.” E-commerce is the buying and selling of goods and services online, conduct of commerce via telecommunications based tools.

Judith Gebauer and Michael J. Shaw, in their article “Introduction to the Special Section: Business to Business Electronic Commerce”⁵, defines “e-commerce as the sharing of business information, maintaining business relationships and conducting business transactions by means of telecommunication networks and it includes buying and selling and transactions between companies as well as the corporate processes that support the commerce with individual firms. This research although is limited only to the B2B Commerce and not the aspects of the e-commerce as a whole. The author herein only mentions about the ongoing developments in the business to business electronic commerce and not as a whole idea of e-business along with e-commerce as its subset.”

Yannis Bakos in his journal article “The Emerging Landscape for Retail E-Commerce”⁶, the author mentions that there are intermediaries that facilitates the buying and selling of goods from the producers to the end consumers. In bricks and mortar e-commerce, typically a number of intermediaries handle distribution between the original producer of a product and the ultimate consumer, for example, a wholesaler, a distributor, a retailer and sometimes a finance company to help with payment and an insurance company to offer service guarantees. The article mentions about the technique and the procedure of business and it limits the difference to be sought between a procedure within e-commerce and e-business.

Yvette Blount, author of the article, “E-Commerce, Human Resource Strategies and competitive Advantage: Two Australian Banking Case Studies”⁷, who articulates that interactions with an organization can take

³Philip Kotler, A Generic Concept of Marketing, 36 J. MARK. 46–54 (1972), <https://www.jstor.org/stable/1250977>.

⁴ Stephanie Jackle Movahedi-Lankarani, *E-Commerce: Resources for Doing Business on the Internet*, 41 REF. USER SERV. Q. 316–325 (2002), <https://www.jstor.org/stable/41354914> (last visited Mar 10, 2020).

⁵ Judith Gebauer & Michael J. Shaw, Introduction to the Special Section: Business-to-Business Electronic Commerce, 6 INT. J. ELECTRON. COMMER. 7–17 (2002), <https://www.jstor.org/stable/27751030>.

⁶ Yannis Bakos, The Emerging Landscape for Retail E-Commerce, 15 J. ECON. PERSPECT. 69–80 (2001), <https://www.jstor.org/stable/2696540>.

⁷ Yvette Blount, Tanya Castleman & Paula M. C. Swatman, E-Commerce, Human Resource Strategies, and Competitive Advantage: Two Australian Banking Case Studies, 9 INT. J. ELECTRON. COMMER. 73–89 (2005), <https://www.jstor.org/stable/27751155>.

place in one of the two ways, one, as a “relationship” where the customer and organization know each other and have an ongoing contact. And two, as an “encounter” where customers may know the organization but receive the same service from whoever is available at that time. The paper limits its research only to the HRM strategies that will enable them to achieve sustained competitive advantage in the e-commerce era.

Vladimir Zwass, wrote an article named “Electronic Commerce: Structures and Issues”⁸, wherein he mentions about the framework of E-commerce which consists of three meta-levels: one, infrastructure i.e., the hardware, software, databases and telecommunications that together deliver such functionality as the wide web over the internet. Second, services that shall include, finding and delivery of information and finally, Products and Structures consisting of direct provision of commercial services to consumers and business partners, organisation of e-markets and supply chains. This paper presents a hierarchical framework of e-commerce with three meta-levels, which in turn consists of seven functional levels. It limits the dynamics of the internet and business, i.e. the process of buying and selling.

Emergence Of E-Market

Marketing is a core part of any business, which has evolved over the years. Business and Marketing strategies, evolving technologies and improved means of communication have contributed to the evolution of marketing. E-markets can be viewed as websites on the internet that facilitate the meeting of a large number of buyers and suppliers, allowing them to trade with one another and exchange information and goods. They facilitate business by offering additional trade and transaction services, and are alternatively known as online markets or electronic hubs.

E-Marketing also includes other non-web communications, such as bulletin boards, emails, and new groups. It provides a more efficient, effective and cost-effective means of trading. E-marketing, as a part of business plan, helps organizations generate revenue, as it increases the accessibility to information and facilitates interaction among buyers and suppliers.

“E-Markets can complement rather than substitute for the traditional relationship-based supply chain. When there is quality uncertainty in the e-market offering, two effects of quality uncertainty on e-market adoption are identified. Better quality on average will increase e-market adoption, but surprisingly, increasing quality dispersion of e-markets will also help. Therefore, e-markets should strive to enlist suppliers with better quality products but do not need to worry too much about the quality dispersion. Having better price transparency will also help in attracting more business.”⁹

E-marketing offers a global reach and hence have changed the competitive environment¹⁰. E-markets include e-mails marketing, advertising, search engine marketing etc. And is different from traditional markets.

A marketing plan refers to a document describing in detail the market situation, threats and opportunities, clearly specifying the marketing objectives and the strategies to achieve these objectives. There may be

⁸ Vladimir Zwass, Electronic Commerce: Structures and Issues, 1 INT. J. ELECTRON. COMMER. 3–23 (1996), <https://www.jstor.org/stable/27750797>.

⁹ Mu Xia & Nan Xia, *The Complementary Effects of E-Markets on Existing Supplier-Buyer Relationships in a Supply Chain*, 25 J. MANAG. INF. SYST. 9–64 (2008), <https://www.jstor.org/stable/40398938> (last visited Mar 11, 2020).

¹⁰ Talwate, Gehan (June 2000) “E-commerce is key to global competitiveness—but is there anyone you can trust in the online world,” *Business Information Review*, vol. 17, no. 2, pp. 78-81.

standard marketing plan for an organization or even separate plans for each brand or each product. A typical marketing plan must comprise the following- executive summary, e-marketing research, e-marketing situation and external factor analysis, product-price and distribution strategies, e-marketing budget details about e-advertising, and e-promotions.

Effective e-marketing strategy¹¹ requires precise communication that targets the right set of customers. His in turn needs one to design and deliver the email or advertisement in such a way that it captures the customers attention and also delivers the correct brand message, Electronic communication allows these messages to be conveyed through emails or electronic banners. The purpose of this message is to draw attention and subsequently make the customers buy a product or utilize the service. "The overall marketing communication encompasses unplanned and planned message communications between customers, between firms and customers and between two firms. Planned messages include e-advertising, while unplanned messages compromise those communications by word of mouth, customer communications, and customer feedback. Unplanned messages cannot be controlled directly, but then they can be influence directly through the improvement in product experiences, product quality and services." Unplanned communications contributions to the growth of a firm quite significantly, as it is seen in the case of firms such as yahoo, Hotmail and google. However, the effective usage of innovative technologies such as multimedia and text messages improve planned communications and also responses to unplanned communications to a considerable extent.

Typically, in an e-market, a person decides to buy a product and subsequently places an order to appropriate supplier. An integrated stock tracking system keeps a track on the stock and availability. Based on the availability, the supplier dispatches the product to the customer. During this time, the customer may track the status of the order. Once the customer receives the product, he or she can enter the feedback about the product so that other potential customers can share his or her experience with the product. An efficient e-market, very efficiently represents the best suppliers from whom they want to buy the product.

Generally, any business buys two types of products-the one that includes products , or materials required to run operations, such as software, printers, hardware and office inputs, while the other that includes those required as inputs for manufacturing, such as raw materials that are processed during manufacturing.

E-Marketing platforms are used in general to transform customer segmentation as well as in making appropriate levels of e-services to customers. These platforms also enable buyers and sellers to work together collaboratively in managing different life cycle management processes of the product, such as planning, product designing, manufacturing, marketing and providing after sales services. This improves upon the value added communication among the value chain integrators.

¹¹ Campbell-Hunt, C. (2000). What have we learned about generic competitive strategy? A meta-analysis. Strategic Management Journal, 21, 127-15

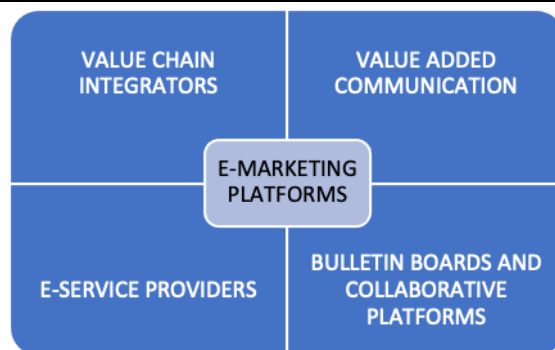


Fig.1.1. E-Marketing Platforms

The above diagram represents the e-marketing platforms that are used in general to transform customer segmentation as well as in making available appropriate levels of e-services to customers

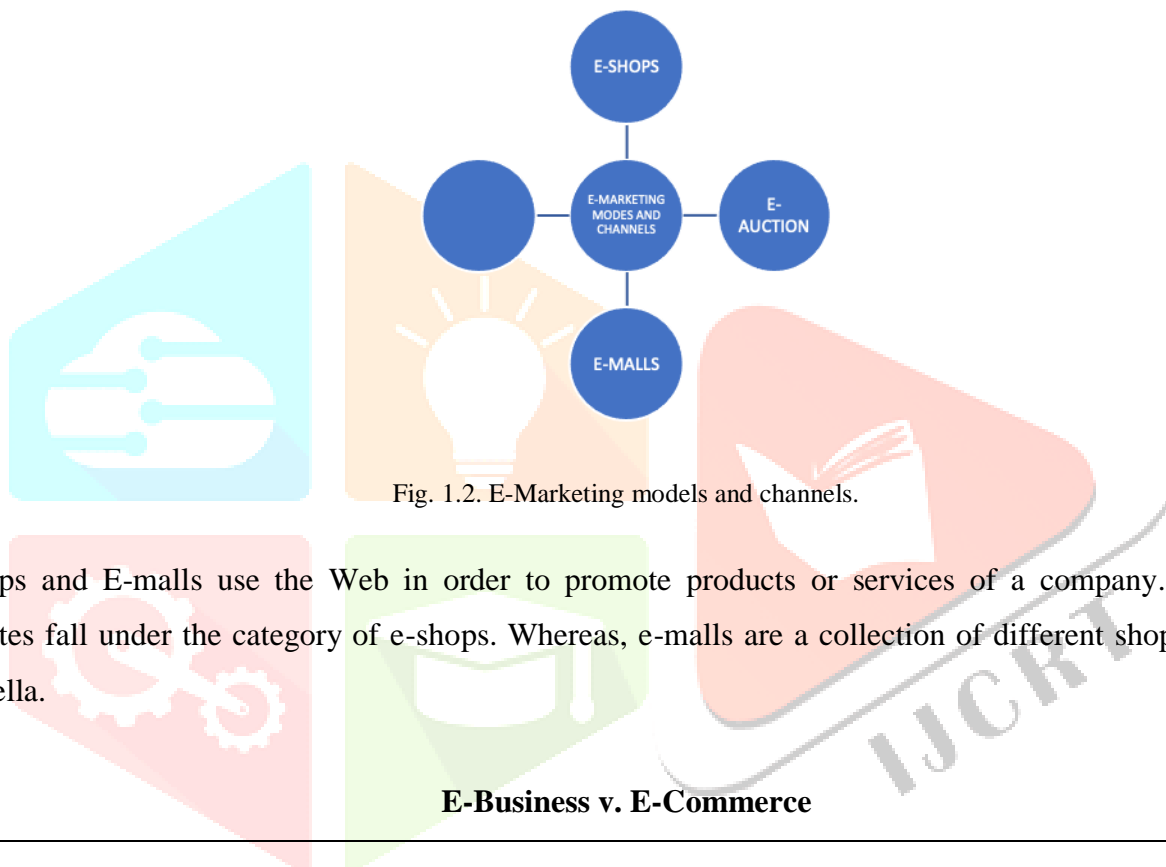


Fig. 1.2. E-Marketing models and channels.

E-shops and E-malls use the Web in order to promote products or services of a company. Many B2C websites fall under the category of e-shops. Whereas, e-malls are a collection of different shops under one umbrella.

E-Business v. E-Commerce

The term ‘e-business’ refers to the process of conducting the whole business electronically and it is not merely limited to monetary and outward business transactions. It refers to the internal and external transactions, including interactions with business partners, customers and vendors that are performed online through electronic means. These interactions are aimed to improve pace, efficiency and performance. It refers to the idea of deploying technology to maximize customer value and allows for a faster and more open process, with customers having greater control. The information about the market and products becomes available to customers and that empowers them to take right decisions.

On the other hand, e-commerce also refers to the process of creating financial exchange with the use of digital medium. It involves monetary transactions using ‘e’ means or digital means such as the internet or the web. In other words, e-commerce is the use of Internet or the Web to transact business. These business transactions include commercial transactions among individuals, business firms or individuals, and business firms, where a commercial transaction means an exchange of money among organisations and individuals in

exchange for a product or service. So, whatever business transactions were happening for decades, involving people travelling and paying money in exchange of products and services, with e-commerce, the same is happening by digital means without any direct involvement by the individual. Instruments and methods such as credit cards, electronic fund transfer, stored value cards, e-cash, e-cheques, e-delivery and e-transfers have become common place.

“The broadest definition of e-commerce is ‘the conduct of transactions by electronic means’. But e-business is a superset and it can be defined as ‘conducting business and all business-related activities, internal and external transactions along with communications using electronic means.’ In short, e-business is that business which is empowered by e-commerce. The differences between e-commerce and e-business is that, First, the concept of e-business deals with all aspects of business and is not limited to business transactions. Whereas, e-commerce is more about monetary transactions, buying and selling. However there are many other transactions and activities such as processes, internal and external transactions, and business activities that come under e-business.”

Second, to buy or sell online is referred to as e-commerce but there are other aspects of business such as contacting the customer online, educating him, providing services and product related information, that together constitute an e-business. Amazon.com¹² is an example of e-business rather than e-commerce. E-commerce is a small part of Amazon.com’s business. But the entire process, right from the customer accessing the website, to selections of books and articles, browsing through references, till the time when he selected product is delivered to the customer is much more than e-commerce and falls under the ambit of e-business.

Third, internal processes such as production, inventory management, product development, risk management, finance, etc are all a part of e-business. On the other hand, e-commerce focuses on the outward facing processes and is not related to internal processes.

The most important part of the whole process is to establish e-business. It can either be a transformation from traditional business or establishing a completely new business. There are few strategic aspects to establish e-business. One, to ensure that there is a framework for cross border interoperability. This involves penetration and market research. Second, rules must be defined for e-content maintenance and interoperability, this helps customers as per their needs and such modifications and important for getting interactive customers. Third, it is essential to ascertain that e-business frameworks and standards specifically meet global requirements at all levels. The standardization ensures connectivity and usability across the globe. Fourth, they enable users to trust their trading partners and their e-business systems. In the absence of trusted frameworks, the customer is not willing to go ahead with financial information transactions with the organisation, thereby seriously limiting the business.

Role of E-commerce in E-business-Issues and Prospects

“Online financial transactions, that is, e-commerce, is one of the major parts of business. E-business is not possible without online financial transactions. Hence, E-Commerce plays a key role in e-business, An organization faces many infrastructural and security-related challenges while

¹² “Amazon.com Posts Profits, Loses Euro Heads,” Chain Store Age 78, no.3 (Mar 2002);86

establishing an e-business. There are typical issues in developing countries and places where infrastructure is not there to support the changes brought by e-business.” Therefore, organizations have to struggle to make the society ready for this change. For small and medium. Scale enterprises (SMEs) in developing countries, e-business leads to many business benefits. It has several advantages, such as reduced information search costs and transaction costs, which lead to improvement in operations efficiency and this ultimately reduces the time to market. Given the barriers to the increased use of information technology, e-commerce, and adopting e-business the use of local and global market information efficiently is also a challenge “for SMEs in developing countries. Some of the issues are, one, Lack of awareness and understanding of the value of e-business and e-commerce and reluctance to go for the required change in environment is a major issue faced by organizations”. “Two, People play a vital role in the development of e-commerce. Absence of required level of technology literacy leads to issues such as shortage of skilled workers among SMEs, a key issue for using information technology in business. Three, there are also doubts about the capability of organizations to take advantage of the benefits of accessing the global market through the Internet, given their limited capabilities in design, distribution, marketing, and post-sale support.” And finally, firms and individuals need assurance about security and privacy before getting engaged in the use of Internet-related technologies. There is a sort of reluctance in using e-commerce in the absence of complete satisfaction regarding security. The lack of legal infrastructure and legal liability on credit cards also prevent users and organizations from venturing into e-business. The process is complex and huge security implications along with unsupportive legal infrastructure in developing countries make individuals and organizations prefer cash over e-commerce.

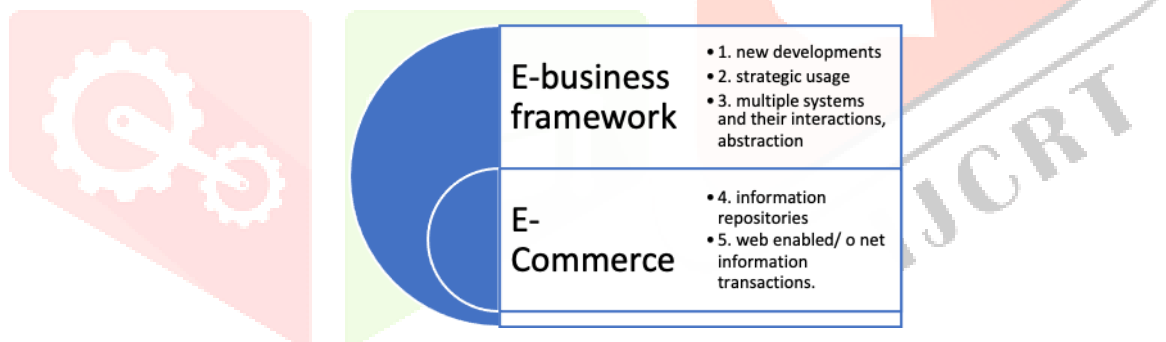


Fig. 2.1. Technology and framework evolution.

The figure depicts the technology and framework evolution with reference to the evolution of the market. The evolution of technology and business models has gone through various stages. With the complexity of the overall models have increased, but it has resulted in improved usability.

E-Business and the Models

“A business model is a set of processes aimed at achieving business objectives. It is the core architecture around which the entire business of the organization is woven. It gives direction to implement various business processes.¹³ A business model is important as it gives a structured approach to guide the process of idea generation in the early phase of any business. It also works as a planning tool to define a business plan and implement it. It functions as a communication tool to communicate internally with various departments

¹³ Afuah, A. (2003). Business models: A strategic management approach. Boston: McGraw-Hill/ Irwin

of the organization as well as with its partners, customers, and other stakeholders. There are many intermediate people/parties involved in e-commerce.”

“These intermediate people/suppliers are now integrated to a great extent with e business. The evolution of information technology and business models has gone through various stages. The flow of information and data has replaced the intermediaries. The complexity of the overall business model has increased; but it has also resulted in improved usability. The recent complex e-business models are developed with the perspective of making them more efficient and user-friendly”.

“An e-business model enables innovative deployment of its resources, in order to make the e-business objective successful. Various factors are taken into consideration in this type of a business model: offerings and value proposition, promises of the organizations, benefits or values which an organization promises to its customers, revenue model/cash flow, market forces, available opportunities, competition, means and strategies of positioning of the product, marketing strategies of the company, the strategic use and the positioning of information technology, organizational structure and development, management team, knowledge assets, strategies for managing knowledge in an organization, etc. on the basis of transactions we have the given business models.”

B2B: Businesses doing businesses with each other via the internet. This is the largest segment of e-commerce, projected to grow to \$4.3 trillion world-wide by 2005.¹⁴

B2C: Business to consumer is the most familiar of e-commerce business model, where businesses sell products and services to consumers via the internet.

C2B: Consumers initiate transactions and purchase products via the internet. For eg: Priceline.com.

C2C is most commonly online auctions where consumers buy and sell directly to each other. For e.g. eBay.com

G2C is, government doing business with consumers online (e.g., U.S. Postal Service), in India, parents pay online fee to the government at many high schools.

G2B is when the government provides services like website support auctions, tenders, applications to the business.

G2G is electronic sharing of data's between different government agencies.

E-Commerce Wave

“E-Commerce serves as an “equalizer”. It enables start-up and small and medium sized enterprises to reach the global market.”

Electronic commerce is defined as “a process of businesses trading with other businesses and the formulation of internal processes using electronic links. It is a term often used interchangeably with e-commerce, but is more concerned with the transformation of key business processes through the use of internet technologies.

Electronic commerce or e-commerce refers to a wide range of online business activities for products and services.¹⁵ It also pertains to “any form of business transaction in which the parties interact electronically

¹⁴ “B2B E-Commerce Will Survive Growing Plan,” (Nov. 28, 2001), See at: <http://cyberatlas.internet.com>

¹⁵ “Anita Rosen, *The E-commerce Question and Answer Book* (USA: American Management Association, 2000), 5”

rather than by physical exchanges or direct physical contact.”¹⁶ “E-commerce is the use of electronic communications and digital information processing technology in business transactions to create, transform, and redefine relationships for value creation between or among organizations, and between organizations and individuals.”¹⁷

There are at least three major forces fuelling e-commerce that is, economic forces which is one of the most evident benefits of e-commerce is economic efficiency resulting from the reduction in communications costs, low cost technological infrastructure, speedier and more economic electronic transaction with suppliers, lower global information sharing and advertising costs, and cheaper customer service alternatives. Secondly, market forces include corporations are encouraged to use e-commerce in marketing and promotion to capture international market. Finally, “Technology forces has in turn made communication more efficient, faster, easier and more economical as the need to set up separate networks and internet access is eliminated.”

“The nature of e-commerce are underpin. One, the management of transactions and transaction costs through the use of online technologies and computerized networks. Second. The re-engineering of business processes into logical, related and sequential activities that ensure businesses engage in transactions in the most efficient and effective manner through the use of online technologies and computerized networks. And Finally, the use of information technologies and computerized networks to facilitate employees’ telecommuting or teleworking. Such activities enable flexible working, distributed workforces and efficient productivity paths.”

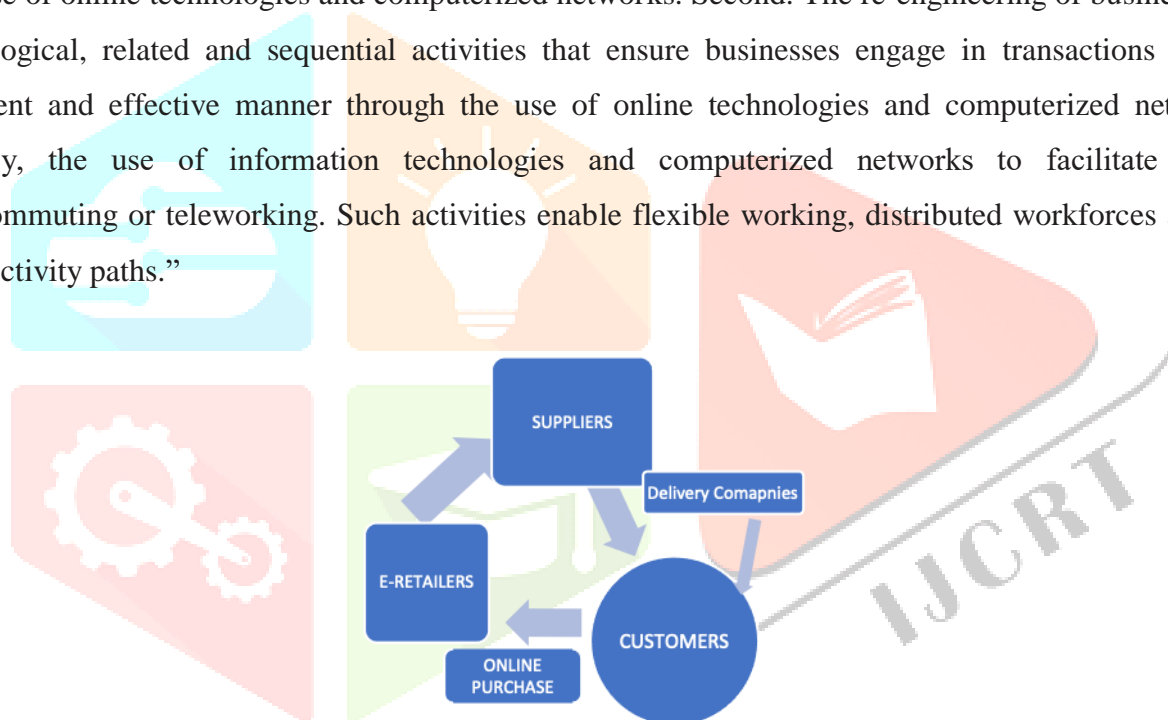


Fig. 4.1 Logistic of E-Commerce.

Drawing Differences

E-business is much wider than e-commerce. E-commerce on one hand includes transactions which are related to money, but e-business on the other hand includes monetary as well as allied activities.

On one hand, e-commerce has an extroverted approach that covers customers, suppliers, distributors and other such activities. On the other hand e-business has an ambivert approach that covers internal as well as

¹⁶ “MK, Euro Info Correspondence Centre (Belgrade, Serbia), “E-commerce-Factor of Economic Growth;” available from <http://www.eicc.co.yu/newspro/viewnews.cgi?newsstart3end5>; Internet.”

¹⁷ “Definition adapted and expanded from Emmanuel Lallana, Rudy Quimbo, Zorayda Ruth Andam, *ePrimer: An Introduction to eCommerce* (Philippines: DAI-AGILE, 2000), 2.”

external process. To well establish the link between e-business and e-commerce and asses the difference, say, for example, A company runs a business, such business involves Planning, Organizing, Staffing, Directing, Controlling and Marketing. This as a whole can be said to be “Business Management”. “Planning is an intellectual process, conscious determination of course of action, the basing of decision on purpose, facts and considered estimates. Organizing leads to the creation of an organizational structure which includes the designing of roles to be filled with suitably skilled people and defining the inter relationship between these roles so that ambiguity in performance of duties can be eliminated.” Staffing means “putting right people to right jobs”, it consists of manpower planning, recruitment, selection, training and other managerial personnel. Directing and Controlling means to direct the subordinate to work in a particular manner. There shall be accountability, responsibility and authority granted. All these forms a part of Business and commerce. Business includes all those activities including buying and selling which is commerce.

Marketing includes certain concepts. On the basis of these concepts, there can be differentiation drawn between business and commerce. Since electronic remains for the usage of web and internet, it is necessary to differentiate between the above two. While the former includes the internet, intranet and extranet for connecting with the parties, e-commerce uses the internet to connect with the rest of the world for the sole reason of buying and selling. A business is so wide that it includes product designing, Standardization and grading, Packaging and Labelling, Branding, Pricing, Promotion and Advertisement and finally, physical distribution. In a nutshell, e-commerce can be defined as a digitally enabled commercial transaction between and among organizations and individuals. On the other hand, e-business can be described as the digital enablement of transactions and process within a firm, involving information systems under the control of the firm. Moreover, e-commerce is a special case of e-business where an exchange of value occurs. Business includes analysing the market which surveys the needs of the people and follows the trend. Eventually, it design a product in accordance to the need of the consumers. The product is then standardized. Once these products are standardized pricing and branding of such product takes place. These internal process are a part of business. As far as ‘electronic’ business is concerned, the entire process right from the consumer browsing through the website and checking the product, selecting the product, adding into the cart, browsing through the references, till the time when the selected product is delivered to him or her falls under the ambit of e-business.

It can be still a question if Packaging, Advertising and distribution of the product forms a part of e-business or e-commerce. Advertising of the product can fall into both the categories as, it is often done as a part of a business, but what attracts the consumer to buy the product is advertisement. Packaging and distribution may be considered as a part of both as it is constituted within the ambit of business, but e-commerce includes providing services to the consumers which include packaging and distribution both.

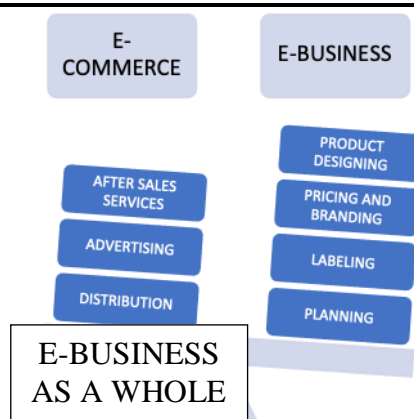


Fig. 5.1 Ambit of E-Business.

Discussion and Recommendations

Discussions and Recommendations in this research paper includes a brief understanding about what the other books and journals have discussed and thus recommendations that include an identification of the limitations from such books that should have such implementation.

“Internet commerce Metrics and Models in the New Era of Accountability”.¹⁸, this book gives an overview of e-commerce, describes how it is evolving and identifies the myriad issues that comprise the building and making of a profitable business. The e-business models are constructed, breaking the models down into their component parts to allow e-businesses the ability to reassemble them to fit specific needs. Once an e-business has the ability to break apart the components of their business, they have gained the ability to estimate costs and evaluate choices.

Digital Dealing:How E-marketers are transforming the Economy.¹⁹, The overview of this book is that all business transactions, including e-business transactions involve making a deal: setting a number, determining a price. The fundamentals of business and business making do not disappear with the arrival and adoption of new communication technologies. Yet in order for e-commerce to flourish, electronic systems need to be put in place that will enable e-businesses to identify potential trading partners, carry out the deal, and to disseminate information about the deal to other traders.

*“E-Business”*²⁰ is a comprehensive book that integrates e-commerce with the strategic aspects of e-business. It covers the detailed issues and differences between e-business and e-commerce. It provides in-depth coverage of important issues related to creation of business plan, website development, e-market, back-end systems, online payment, business intelligence and knowledge management.

*“Understanding Internet valuations: An E-Business Imperative”*²¹ is a research journal article which considers that, as the Internet evolves, companies with innovative products and services are sprouting up on a

¹⁸ Jagannathan, Sridhar, and others. *Internet commerce Metrics and Models in the New Era of Accountability*. Upper Saddle River, N.J.: Prentice Hall PTR, 2002. (ISBN 0-13-028186-7)”

¹⁹ “Hall, Robert E. *Digital Dealing:How E0marketers are transforming the Economy*. London:Norton, 2001 (ISBM 0-393-04210-3)”

²⁰ Parag Kulkarni, Sunita Jahirabadkar, Pradip Chande. ‘E-Business’, Oxford, (ISBN 0-19-806984-7)

²¹ Steven Rosner, *Understanding Internet Valuations: An E-Business Imperative*, 4 J. PRIV. EQUITY 31–38 (2000), <https://www.jstor.org/stable/43503250> (last visited Mar 13, 2020).

daily basis. This has led to the complex question of how to value these new companies or the e-business offshoots of existing companies. This is an unavoidable issue for executive.

“*Electronic Commerce: Structures and Issues*”²² is a research article which provides that “Electronic commerce (E-commerce) is the sharing of business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks. In today's business environment, where the operational boundaries between firms have become fluid, it is often both pragmatically and analytically unfruitful to separate interorganizational and intraorganizational business processes. Therefore, as understood here, E-commerce includes the sell-buy relationships and transactions between companies, as well as the corporate processes that support the commerce within individual firms.”

Recommendations

E-Business empowers individuals, businesses, customers because of its ability to collect information, thus making information available at an astounding pace. It is the knowledge built through this information that could make or break businesses. “Knowledge management is about making right knowledge available with the right person at the right time. It also includes building of right knowledge and processing it to take it to the next level. E-business makes the platform available for this knowledge management to empower business. Knowledge about suppliers, retailers, suppliers, and services, along with that of facilities for financial transactions empower business with knowledge. E-business made knowledge trading and role of knowledge much more important than before.” E-business is not limited to any vertical or industry and it is a knowledge-centric business that is empowered through technology. This knowledge may be in distributed form or even in the form of some very obscure actions and e-business can help to codify it. E-businesses are about building and effectively using knowledge on e-platform. In the following chapters of the book, the discussion will be focused on the various aspects of e-business from knowledge perspective.

In the instant research it is recommended that a thin line of difference must be made to easily distinguish e-commerce and e-business. It is thus suggested that different research papers and books so referred in the instant research paper, must contain specific content which distinguishes the two with regards to business management and marketing. As business management and Marketing has a huge and wider definitions within it. It is necessary to identify different processes within it, to be more elaborately used.

Conclusion

E-Business has changed the way business was being done in the past. E-Commerce and e-business have changed the face of the business. It has offered penetration and global reach. It has created opportunities by allowing organizations to concentrate on niche areas and information integration. There are certain components in the entire process of doing business which also form a part of e-commerce. In this sense we

²² Zwass, *supra* note 8.

can say that e-commerce is the sub-set of e-business. “Electronic commerce (E-commerce) is sharing business information, maintaining business relationships, and conducting business transactions by means of telecommunications networks. Traditional E-commerce, conducted with the use of information technologies centering on electronic data interchange (EDI) over proprietary value-added networks, is rapidly moving to the Internet. The Internet's World Wide Web has become the prime driver of contemporary E-commerce.” E-commerce applications in this area include easy-to-use ordering systems that allow customers to choose and order products according to their personal and unique specifications. “For instance, a car manufacturing company with an e-commerce strategy allowing for online orders can have new cars built within a few days (instead of the several weeks it currently takes to build a new vehicle) based on customer’s specifications. This can work more effectively if a company’s manufacturing process is advanced and integrated into the ordering system.”

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