

E-BUSINESS: THE GAME CHANGER

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ABSTRACT

E-Business: can be defined as the use of internet, information and communication technologies (ICT) and new innovative ways which are cost effective plus also increase the performance of any organization. The innovations are not just happening to the external factors that affect the organization but internal departments or traditional business processes such as supply chain management, customer services etc., have also been changed. E-business has provided a new market place for organizations to do business. It has decreased the gap between the buyers and sellers as well. A new way of marketing i.e. micro marketing which provides the organizations with the needs of individual customers so they can satisfy each and every customer's need is also possible due to the emergence of E-Business. New channels are now been explored by the marketers and management gurus to explore new unknown markets all around the world. E-business has also decreased the geographical boundaries by creating better, cost effective, flexible supply chains to deliver anywhere, anytime to anyone within a specific time frame.

The integration of external and internal data processing systems which analyse data in real time to obtain flexible yet optimized business processes to increase organization's performance, suppliers, partners and organization in E-business work closely, holistically and efficiently, also the customers are attracted, retained by understanding and providing products and services that satisfy the customer's needs, wants and desires.

In last decade not only the internet has seen a boom but also there has been an explosion of innovation in the business technology ecosystem. It has now become necessary for organizations to adopt technology into their business not only to save cost, quality management etc., but also to gain a competitive edge over others. Customer Relationship Management (CRM) and Supply Chain Management are the two areas which have seen a lot of changes in their business processes. E-business provides organizations a far greater target audience and ability to reach more consumers in a much broader economic and global market level. Organizations now can cater to markets with their products and services to a global audience through just a website.

The relationship between buyers and sellers is more of a 24 x 7 as website cannot be shut down after a certain time. It has also made businesses cost effective by reducing the operational cost, inventory cost, rent, marketing and promotional expenditure but its virtual nature where thousands of products can be displayed without acquiring and displaying them unlike in a brick and mortar store. Resources can be easily acquired with the help of business technology. Not only customers but also businesses, managers, executives and organizations can purchase products and services they desire for their business can be purchased through E-business at competitive prices. Marketing and advertising are also business functions that are penetrated by the E-business with significant

benefits over a long period of time. Hence, E-business can be stated as an innovative, sustaining, disruptive idea which has changed the way businesses used to function.

This paper emphasises on:-

- *The change that E-Business has brought in the market*
- *The benefits or edge that E-Business gives to one company over the other*
- *The way different verticals have started functioning as an effect of E-Business*

I. INTRODUCTION

Electronic Business or e-business is the term used for those Business Processes which are supported and driven by the information technologies. In e-business, the market place is in a virtual world where the sellers and buyers connect to do any kind of business transaction. E-Business helps the companies by allowing them to link and reinforce their internal and external processes to achieve optimum results and these companies, with new advancements in web technologies, are able to connect to the customers more effectively and efficiently with their auxiliary industries. As a result they are able to understand and satisfy the needs of their customers as well as other stakeholders, which leads to increase in sales and steady growth, thereby improving the overall business performance. In other words, e-business exclusively refers to all Internet businesses, but it may also refer to any business that uses Internet technology to improve productivity and profitability. The most common example of e-business can be any e-commerce website which has disrupted the way businesses used to function earlier. As they are more than just a presence now, the credit can be given to the vast innovations in internet technologies which were particularly designed to help business work in a smarter way rather than harder. It can be easily seen through collaboration tools, social media, mobile technology etc.

The basic feature of any e-businesses is that, for any technical and customer support, an electronic chat system is installed. For example: customers' computers can be navigated , accessed and repaired by using Virtual computer systems which allow businesses to remotely access correct problems or navigate software and hardware specifications. E-business extends from these features to work with internal processes like product development, risk management, production and inventory management, among other things.

E-business includes all verticals of running a business that sells products and services, including marketing, advertising, customer relationship, customer retention, increasing loyalty, logistics and procurement, developing business partnerships and also educating the customers. In order to be successful, e-businesses should have quality storefronts that are simple to navigate and peruse, with accurate catalogue information. E-business became an extension of e-commerce to encompass all aspects of businesses that function online. E-business involves e-commerce, but e-commerce does not cover all aspects of e-business.

In around a few years, e business will be the most important source; it will in fact be the key driver for economic growth and success for many industries. It can also be stated that if a business is online, then the chance of that company making profits and building strong brand equity increases. As we know, the latest trend is that of products becoming commodities within a short span of time in developed markets like USA and Europe. Well, e-business has already proved its strong presence by doing so. Within the last 3-4 years, the number of companies which used to do e-business has increased drastically. It can be seen as a major economic shift as it has also opened the doors for a

Cashless or digital economy. The rules of demand and supply will also alter with the digitalization of economy. New opportunities have opened up for the budding entrepreneurs. Though E-business is still in its infancy but its true potential can be clearly seen. In India, the e-commerce business is expected to grow from \$16 billion to around \$169 billion by 2020. Those companies which would embrace the new disruption and change accordingly will be the ones to survive the market realignment and turmoil caused by the internet based businesses. It can be also be stated as a paradigm shift in the market as now every business will try to become an e-business, as a strong need is felt to do so.

1.1 E-Business: A Solution Provider

1. With the changing market dynamics it is essential for every business to always stay ahead of their competition. In order to achieve this, every business could be benefited in some way or the other by using e-Business. Few solutions are:-
2. Using e-marketing effectively for improving external product promotion and internal communication
3. Using e-commerce technologies and effective deployment of marketing strategies to increase sales
4. Streamlining business processes with integrated back office systems
5. Reducing communication and travel costs using online meeting tools and shared workspaces
6. Maximising lead conversion by using CRM (Customer Relationship Management) systems to track and monitor interactions with prospects and clients
7. Improving supplier relations and productivity through collaborative tools and workspaces
8. Benefiting from licence-free open source software alternatives to proprietary software
9. Inventory Management
10. Decrease in operational costs
11. Instant feedback from the customers
12. Customer Retention
13. Increasing Brand Equity
14. Understanding the desires of customers
15. Speeding the supply chain
16. Educating customers
17. Competitive advantage
18. Access to bigger market
19. Greater ROI

If any business needs to grow, the above stated points are the key areas where a business can learn from the e-business.

1.2 E-Business: Scm & Crm

E-business is changing all the rules, regulations and models which used to govern the market place. The digitalization of the economy had led to transformation of the supply chain management altogether. There has been an increase in performance and productivity of an organization which is directly proportional to how well it has adopted the new technological advancements. Over the course of time e-business and supply chains have merged together, creating a complex network of new sectors with immense opportunities. Innovation and E-business together have changed the Supply chain structures, and improving the performance of these supply chains is dependent on effective use of such web technologies. E-business manages the significant components that are needed for an effective supply chain. In this era, if a business needs to be successful and move on path towards growth, it should not only depend on cost reduction, capital investments and supply chain processes but also on their impact on e-business and the various supply chains that strategically chosen to support them. Any 21st century organization is dependent on successful SCM systems, which rely on technological breakthroughs and innovations that are done with primary reason to bridge the gap between the buyers and sellers and form one complex yet simple to navigate virtual market. The companies which would capitalize on such various web technologies will have a dynamic, flexible, radical and sophisticated supply chain aligned with their e-business strategies.

E-business can also be viewed as an electronic channel meant for the distribution of goods and services, generating sales and marketing or promotion. The main advantage is that a company can save millions of dollars on inventory, store, advertising etc. As the internet is on boom, e-business will grow simultaneously, as we are eventually moving from tangible or physical business model to more virtual models mainly in knowledge industry. The supply chain or the e-business processes which amuse us right now will become part of our daily lives. Content, which a company will provide or Knowledge would become a prime commodity.

When E-business and CRM are merged together we call it Electronic Customer Relationship management (E-CRM). In other words, when internet technologies such as websites, chat rooms, blogs, online forum, emails etc. are used to achieve the CRM objectives it is called as E-CRM. It is a well-planned, complex, timely, well-structured and coordinated process tracked on real time basis and that automates the business processes in sales, marketing and customer service. The objective of E-CRM is not just optimization of processes but also to improve the interactions with the customers. It helps businesses to customize their products and services according to needs of the customers. Hence helping marketers in micro-marketing. Typically an E-CRM strategy would involve customer information, buying patterns, spending habits, price sensitiveness, content information and more. The information is processed and analysed in real time and so a customer's profile is created virtually which will then be analysed further to gather more customer insights.

Few Benefits of CRM include:

1. Improved customer relations and more retention
2. Improved Service and Support
3. Increased customer loyalty and customer satisfaction .i.e. increased Brand Equity
4. Decrease in operational cost
5. Improved performance and greater revenue

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Businesses that are able to strategize and implement an E-CRM are able to understand their target audience, therefore are able to align their processes to deliver high-quality of seamless customer experience.

Keys areas where SCM & CRM will be supported by E-business are:-

1. Global economy in the near future will be revolutionized by the competitive strategy provided by the E-Business
2. The relationship with customers will be a 365 x 24 x 7. Hence the organizations would learn how to deliver and satisfy their customers.
3. Organizations which will customize provide and deliver products or services according to individual customer's needs would boom
4. Internet will be used to find, attract new markets and customers
5. A cost effective strategy will be provided by e-business for organizations
6. Customer loyalty will be built on by providing niche interests to online communities and also developing and serving them for a better experience
7. Traditional demand and supply economics would fail due to availability of greater choices with competitive prices.
8. Rapid growth in penetration level of internet around the world will also contribute in massive growth opportunities
9. The members in a supply chains would reduce with more innovation and growth in e-business

II. SUMMARY

With the boom in internet over the last two decades, new sectors like E-business have emerged. It has reduced the gap between an organization and its customers. The business process models have also been changed so as to embrace this massive growth opportunity i.e. E-Business.

Due to its continuous growth in the past few years, the innovations have also taken place in core business process such as supply chain, marketing, customer relationship and so on. E-business has helped organizations to grow by giving them new markets and also decreased the gap between the buyers and sellers altogether. Supply chains are now managed on real time basis with the main objective of delivering whatever one's organization has promised, which is possible only due to innovations in the business processes which are supported by e-business and its web technologies. Customers are now managed via new channels of communication not only on a market level but also on micro i.e. individual level. Cost effectiveness, increasing brand loyalty and equity, customer retention and more provided by E-business are just a few ways by which the performance of any organisation can be increased. And as we know, E-business is still just a few years old, but the disruption caused by it is massive and long term. Whatever innovations and changes we have seen till now are just the tip of the iceberg.

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