

INTRODUCTION TO E-BUSINESS

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ABSTRACT

The E-business concept is new in Indian economy but has significantly evolved benefitting economy with higher gains. The Indian traditional marketing system is adsorbing the new technological approach in-order to cope with international market and vast growing Indian consumer market. Since, E-business scenario is recent in Indian market therefore it is necessary to understand the overall Indian market evolution, a brief outline of E-Business and its effect on various scenarios of Indian economy including IT and education is discussed. The e-business is part of new technology adopted in every sector of market benefitting the economy with wider scope and approachability with higher consumer base and consumer satisfaction. The open international market and globalization has pushed market and economy to adopt the new technology usage to cope up with larger tasks and data with high level of perfection. The study shows enormous potential for E-Business. but has to go with consumer protection and company-client data safety at every stage.

I. INTRODUCTION TO E- BUSINESS

"E-business" is defined as the application of information and communication technologies (ICT) which support all the activities and realms of business. E-business focuses on the use of ICT to enable the external activities and relationships of the business with customers. Electronic business methods enable enterprises to link their internal and external data processing systems more efficiently and flexibly and serve better to the needs and expectations of their customers. E-business uses web-based technology to improve relationships with customers. It is widely accepted today that new technologies, in particular to the Internet, modify communication between the different parties in the professional world.

- Relationships between the company and its clients,
- The internal functioning of the company, including company-employee relationships,
- The relationship of the company with its different partners and suppliers

The term "e-Business" refers to the integration, within the company, of tools based on ICT to improve their functioning for the company, its clients, and its partners. E-Business no longer only applies to those companies all of whose activities are based on the internet, but also to traditional companies. The term E-Commerce, which is frequently mixed up with the term e-Business, although, only covers one aspect of E-Business, i.e. the use of an online support for the relationship building between a company and clients. The impact of e-business is not only important with respect to company and client relationship but also to improve performance and efficiency within the company. Local Area Network (LAN) helps building faster communication within the company

leading to saving high cost and precious time. One of most effective tool globally adapted by many organizations is developed by SAP AG, Germany, commonly known as SAP. The SAP is benefitting the organizations in numerous ways and few advantages are as below:

- Allows easier global integration Updated.
- once only and implemented company-wide.
- Provides real-time information.
- Creates better efficient work environment for employees.

II. E-BUSINESS

E-business (electronic business) is the conduct of business processes on the Internet. These electronic business processes include buying and selling products, supplies and services, servicing customers, processing payments, managing production control, collaborating with business partners, sharing information, running automated employee services and recruiting.

E-business can comprise a range of functions and services, ranging from the development of intranets and extranets to *e-service*, the provision of services and tasks over the Internet by application service providers. Today, as major corporations continuously rethink their businesses in terms of the Internet, specifically its availability, wide reach and ever-changing capabilities, they are conducting e-business to buy parts and supplies from other companies, collaborate on sales promotions, and conduct joint research. With the security built into today's browsers, and with digital certificates now available for individuals and companies from Verisign, a certificate issuer, much of the early concern about the security of business transaction on the Web has abated, and e-business whatever name is accelerating.

III. E- BUSINESS TECHNOLOGIES SKILLS

In step with the development of hardware and communication capabilities the development of software has expanded to make use of the technologies provided. These software developments have introduced us to new applications which are being used by many people and can be adapted to business purposes by innovative managers with appropriate e-Business skills. Systems that cross business process boundaries and ultimately cross company boundaries provide the foundation for new systems. For example, it is now easy to integrate business processes using software which allow sharing of data and reduce the separation of corporate functions and the "silo" approach; software is available to connect and integrate the entire supply chain. These systems can also take advantage of the new mobile devices which are rapidly populating the world.

IV. E- BUSINESS BENEFITS

The Internet has changed the way the world does business, and your company can take advantage of the technology for its own benefit. E-business is the process of exchanging date or information over the Internet while taking orders, placing orders or interacting with your own staff, according to online business resource e-

Commerce Optimization. By understanding the benefits of e-commerce technology, your company can be better equipped to use the Internet as a business tool.

V. EVERYONE IS EQUAL

When you are interacting with your clients or vendors using e-business, it is difficult for them to tell how big your business is. With a professionally developed and maintained website, any small business can look as impressive on the Internet as the large corporations do. It is a level playing field that helps create opportunity for small businesses.

VI. ORDER ENTRY

An Internet order interface that is hooked directly into your real-time inventory software can allow customers to order products from your company 24 hours a day, seven days a week. You can save money on hiring a sales staff by opening up an order-entry section on your website for clients that want to make smaller orders, or for those that only order a few times a year. That frees up your sales professionals to go out and find new business.

VII. CUSTOMER SERVICE

E-Business can save you money on your customer service as well. By making your client's account information available on the Internet, customers can check their accounts whenever they want. By creating a customer service section on your website that allows customers to request return product authorizations, you can increase your customer service levels while lowering your cost of doing business.

VIII. MARKETING

In the first quarter of 2010, consumers bought \$34 billion worth of products and services on the Internet, according to Antone Gonsalves writing for InformationWeek.com. There was also 1.1 trillion online advertisements created in the same period, according to InformationWeek.com. More consumers are using the Internet to get their product information, find vendors and buy products. An e-business presence can help put your company in touch with this growing retail sector

The E-Business network

Electronics Commerce business models can generally categorized in following categories.

Business - to – Business (B2B)

- Business - to - Consumer (B2C)
- Consumer - to – Consumer (C2C)
- Consumer - to – Business (C2B)

8.1 Business - To – Business (B2b)

B2B business model sells its product to an intermediate buyer who then sells the product to the final customer. As an example, a wholesaler places an order from a company's website and after receiving the consignment, sells the end product to final customer who comes to buy the product at wholesaler's retail outlet.

8.2 Business - to – Consumer (B2C)

Website following B2C business model sells its product directly to a customer. A customer can view products shown on the website of business organization. The customer can choose a product and order the same. Website will send a notification to the business organization via email and organization will dispatch the product/goods to the customer.

8.3 Consumer - to – Consumer (C2C)

Website following C2C business model helps consumer to sell their assets like residential property, cars, motorcycles etc. or rent a room by publishing their information on the website. Website may or may not charge the consumer for its services. Another consumer may opt to buy the product of the first customer

8.4 Consumer - to – Business (C2B)

In this model, a consumer approaches website showing multiple business organizations for a particular service. Consumer places an estimate of amount he/she wants to spend for a particular service. For example, comparison of interest rates of personal loan/ car loan provided by various banks via website. Business organization who fulfills the consumer's requirement within specified budget approaches the customer and provides its services.

8.5 Important in a E- business network

E-business uses the Internet for the purpose of conducting business. Companies go online to engage in advertising, buying and selling of products and services. Due to the increased competitiveness in the hypermarket industry hypermarkets are hybrid supermarkets/department stores the adoption of e-business has helped companies gain a competitive edge over their peers in terms of reduced costs, increased revenue streams and greater customer satisfaction

IX. COSTS

Operational costs such as maintenance of inventory and transaction costs have reduced thanks to e-business. Electronic invoicing has increased invoice-processing efficiencies, created transparency in ordering, streamlined payment processing and reduced costs incurred by the purchase of paper invoices. The number of employees has reduced as customers order their products online and pick them up or arrange for them to be delivered for a fee. Search costs for high-quality products and services have been reduced, as customers can easily find them on company websites.

X. MARKETING

Companies using e-business have a wider online presence. They can advertise their products and services either on their websites or by hosting them on other domains. These advertisements have been customized to cater to the individual needs of their customers, enabling them to reach their clients at a more personal level. Companies also find that Internet marketing is cost effective, as they pay Internet advertising agencies only when customers view their page.

Communications

Adoption of e-business has improved communication in the hypermarket industry. The use of email has enabled companies to respond better and faster to customer issues. Improved customer service has nurtured better relations between retail outlets and customers, ensuring that they remain loyal to the outlets. Companies using websites in the hypermarket industry are able to offer after-sales services to their clients without the need for a physical presence or storefront. Constant communication of improvements in a company's products enhances its brand for customers.

XI. REVENUES

Companies that have adopted e-business have a faster product development cycle, enabling them to respond quickly to market needs. They take advantage of being market leaders to increase revenues before their competitors can enter the market. Inventory tracking enables companies to reduce overstocking and under stocking, thereby releasing cash needed for maintenance of stock for other purposes, as well ensuring sales aren't lost because products are out of stock.

XII. E-BUSINESS NETWORK MATTER TO A USER

1. To share knowledge and reap productivity gains by finding information faster
2. To communicate faster with clients and suppliers
3. To provide options for tele working
4. To implement web services
5. To enable teams to work collaboratively irrespective of geography
6. To better automate business procedures

XIII. ADVANTAGE

13.1 Cost-Effective Marketing

With an e-business, all of your marketing efforts end with one goal—to drive target traffic to your business website. With one central place to send customers—your e-business website—it allows you to use many online marketing tactics including email marketing, article marketing, social media networking and e-newsletters. Most of these online marketing efforts are very low cost or free, so an e-business allows for highly cost-effective marketing strategies.

13.2 Flexible Business Hours

E-business breaks down the time barriers that location-based businesses encounter, according to E-Commerce Education. Because the Internet is available 24 hours a day, seven days a week, your business never closes. An e-business can literally be making money while you are fast asleep.

13.3 Eliminates Geographic Boundaries

An e-business also allows you to broaden your reach. An online business can reach customers in the four corners of the Earth. As long as someone has an Internet connection, you may be able to reach and sell your product or service to these visitors to your business website.

13.4 Reduces Transaction Cost

Running an online business reduces the cost per transaction because it takes less manpower to complete an online transaction. Once you get your website up and running, the customer places the order online, which removes the need for a salesperson. The customer payment goes through your online payment processing software or system—again eliminating the need for a store clerk. Someone has to download the order and ship it, which is probably you, but an e-business transaction has less burden of cost on the business, making each transaction more cost effective than a brick-and-mortar business.

13.5 Low Overhead Costs

Running an e-business cut back or out most of the costs involved in running a physical location. E-businesses have less expensive phone, rent and utility bills than businesses with physical locations. An e-business also reduces the cost of paying employees because you do not need someone to “man” your website during business hours. Some e-businesses do not require any additional space and can be run out of your home, which you are already paying rent for or your mortgage payment. Even housing inventory may not be an issue because you may be able to establish a drop-shipping situation, where your wholesaler ships orders for you on behalf of your business.

XIV. DISADVANTAGE

14.1 Security and Integrity Issues

Hackers are adept at manipulating online business websites to harvest financial data. The information you require of your customers -- shipping address, credit card details and email -- potentially provides ample resource for hackers to initiate identity theft. This risk keeps some people from shopping online. You have to assure customers of the security of their personal data as they interact with your e-business. Ensure site integrity by investing time and money in learning and implementing good security measures, including digital signatures and data encryption, to protect client information lest it falls in the wrong hands and lawsuits ensue.

14.2 Purchase to Delivery Time

As much as the Internet has the advantage of processing orders and payments in real time, this has little benefit to the customer who requires the purchased item equally fast. Unlike brick-and-mortar businesses, purchases from your e-business typically have a time lag from purchase to delivery of the physical goods. Some customers would rather go to the physical store and pick up the item unless it's of a digital kind, such as an e-book or music file.

14.3 Momentary Intangibility

The personal touch is a missing factor in online transactions. An e-business normally offers the customer no physical proximity to the items purchased until delivery. Experiencing the feel, taste or smell of a product can influence the decision to buy. Unless it's a repeat buyer, your typical customer would want to feel the texture of the leather wallet, the comfort of the shoe or smell the cologne before ordering. The absence of an opportunity to physically examine the product places a major limitation on e-businesses.

14.4 Sectoral Limitations

Not every company can participate in e-commerce. Some are challenged in terms of expertise and availability of technology, while others carry products that can't be shipped economically. For example, some large, odd-sized items may be uneconomical to transport across statelines, making it difficult to sell them online. Other products may be legally restricted, depending on state and federal laws, such as certain explosives, ammunition and alcoholic beverages

XV. CONCLUSION

There are so many studies were conducted and analyzed in E- commerce. However, all the fundamental things required for conducting an excellent work do not differ greatly from the "real" ones.

The Internet represents a completely new and profitable way to do business, provided that all the requirements needed are met. For example, regarding a website, it is illegal to discriminate people with disabilities, a company may be sued for it.

The Internet is a parallel online world where all the resources are not fully exploited and where consumers may gain advantages. Here, companies may increase their profits further and users may find the desired product or service easily without the hassle of shopping around.

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