

B2b to c2b electronic commerce



Electronic gives companies improved efficiency and reliability of business processes through transactions automation. The two major types of e-commerce these are Business to business (B2B) and Business to Consumer (B2C). In B2C consumer purchase products and services from industry while B2B deals with business dealing with another business. Many businesses today utilize these types of model. Some of the businesses that utilize B2B model includes: operating inputs markets-These deal with unfinished goods such as office supplies, spare parts and airline tickets.

There good are referred to as maintenance repair and operating goods. Another type of market that utilizes B2B is manufacturing input businesses; these are raw materials which go directly into the product or processes. In B2C model, it deals with business such as Auction stores which offers electronic implementation of bidding mechanism (Paul Timer1998) and the other example is online stores. B2C has advantages and also disadvantages. Some of these advantages can be divided into two forms those that benefits the company and customers' benefit.

Those that benefit the company include; Increased demand, due to the convenient way of serving the customers like in online the demand increases which consequently raise the company's income. Also low cost is encountered because they use online shops which ensure low cost in transportation of good is encountered. Customers can also view the type of goods they need from internet and this enables reduction in the cost of promotion and sales. Generally the company enjoys reduced cost since their advertisement and delivery of their goods are always at least expenditure as possible. Benefits that the customers enjoy in B2C include;

Low prices since the company have encountered minimum cost in production and delivery of goods. These low prices encourage the customer to continue using this model. Also customers experience a wider choice of what they want to purchase, since he/she can be able to view these products before ordering them which enables him or her or make better choice. Better information in regard to product can be obtained from online shopping by going through the information provided by the company. Its also convenient for buyers who are B2C model since the products are delivered by just ordering for them online.

Customers also experience flexibility in ordering their products through internet auction. Some of disadvantages experienced in B2C models are things like inspection of goods. This is a great challenge to buyer since its not possible to physically inspect the goods you want to purchase. Bidders always have to rely on information provided or electronic images of goods or auction. Also there is potential for fraud since internet bidder has to actually trust that the buyer will send goods he/she has paid for. B2B model also has advantages and disadvantages which adversely affect purchasing company or company.

Some of the advantages include: Hosting of critical supply chain which is available to buyer to help them choose on which chain to use in ordering for their supplies. It also provide market to close enterprise collaboration- This results in synchronized industry coordination which enables the company to synchronize activities like product design, procurement, planning and so on (Peter Dicken, 2003.) It also provides participate with flexible, open, reliable,

highly available and scalable environment. Some of disadvantages of using B2B model are based on challenges that are faced by the business.

For example, at time buyer, sell and channel partners feel that the market is working against them which eventually result to loss of those companies purchasing their products. Buyers can also result the procedures to be followed when purchasing the products which makes the company to incur extra cost for procedures desired by the other company. Insecurity by the company purchasing the product since they just trust that the products will be sent to them, once they are paid for. Suppliers of major consumer's product should consider a number of factors when they decide to shift from B2B to B2C.

First they should determine whether supplier has customization by offering capacity to offer goods and services in real time and ability to customize goods to the needs is higher. This is because the suppliers have been dealing with company or businesses and now they want to deal with individual customers. Suppliers should be aware of organizational changes in changing from B2B to B2C this enables successful transformation to a B2C e-business company. There should be a radical organization al change. This is difficult to implement as a result of strong resistance by employees. Also supply should be aware of redesigning business processes.

The B2B processes should be redesigned and streamlined in order to suit the new B2C form of business. The system is also integrated because the real power of e-business comes up when the systems are integrated. Products that can lead to change from B2B to B2C are finished products which are readily usable by customers. Therefore the company prefers to deal with

individual customers for large sales than dealing with company. Also when the industry start manufacturing finished products it can shift its model from B2B to B2C since its selling then to consumers who needs already finished products.

Finished products lead to change of marketing model from B2B to B2C since the consumer can not purchase an assembled product unlike other business/industries who can purchase them so that they can assemble them and sell as a finished product. Products that have lead to this change include electronic and local phones and also services such as long distance and wireless telephones, cable television, internet service provider and so on are some of products and services that can be sold directly to consumer instead of selling to industry or other business because consumer can enjoy the benefit of avoiding middle man in the distribution chain.

(Gopal Screeraman , 2002.) Consumer demand can have great effect on suppliers. For example, some things like prompt delivery of goods desired by consumer at time is not met by supplier and this makes supply to deliver products that are not well finished to avoid delay. Consumer demand also enables the supplier to find ways to gain competitive advantages in factors other than just price. Some factors can increase demand of certain products by consumers which the supplier has to meet in order to gain marketability. Consumer demands also leads to expansion of larger services.

This is evidenced in demand supply curve whereby the higher the demand the lower the supply and therefore through expansion of services the demand can be met. It also helps to find cost effectiveness ways to increase customer base and generate higher revenues. Therefore these types of

electronic commerce have different impacts and while ordering for products one should consider which model suits best. Reference. Paul Timer, (1998), Business model for Electronic market London. Peter Dicken, (2003), PoliticalScience, United Nations. Gopal Screeraman, (2002), Commerce server 2000, New York.