

Impacts of e-business

Business, E-Commerce



E-business has fundamentally changed how companies do business and how they compete. The biggest impact on B2B e-commerce is how a company forms strategic alliances, how they collaborate with their suppliers, and how products and services are marketed. Due to the increase in the volume and the speed of the B2C e-commerce market and the demand of supply chain efficiencies has driven the B2B demand for companies that have to reduce their operating costs while streamlining their supply chain process.

Internet marketing affects both B2C and B2B because it involves connecting people and processes to suppliers, customers, and business partners. A company that takes advantage of B2B efficiency will become a leader in their industry. Any organization that is doing business online needs to develop and implement a strategic plan that will ensure a successful business. The organization needs to have the means to have secure payments, delivery of product and services, CRM tool, and effective marketing strategies.

E-Business has impacted an organizations culture, societal cultures, and individual relationships in business. It is up to the management of an organization to properly and effectively introduce changes to the organization and each department needs to have a clear understanding of what their role is. When in an e-business environment, the organization is essentially doing business in the global marketplace and therefore needs to know and follow all of the laws with conducting business internationally. E-business essentially has redefined corporate culture and expanded the marketplace.

Organizations in today's E-Business environment develop partners with ASP's vendors, and consultants. The organization needs to align itself with partners that have a similar corporate strategy. Organizations are often entering into business alliances which include a virtual corporation (VC), and co-opetition. A virtual corporation is made up of many business partners that share the costs and resources for the production or utilization of a product or service. Each company will create a portion of the product or service in a specialized area.

A VC can be permanent or temporary depending on the venture entered into. A co-opetition is when two or more companies cooperate with each other on activities that will have a mutual benefit. This is done even when competing in the marketplace. EC Strategy brings the issue of changing internally the business processes of an organization. Sometimes the changes can be done incrementally and can be managed during the implementation process and other times the changes can be major and it affects how the organization conducts business.

When this happens, a BPR or business process reengineering will take place to redesign the organization processes. There are also the changes in supply chain management and having suppliers directly connected to collaborate cutting costs and speeding up production for both the manufacturer and the supplier. The cost saving measures put in place help to increase profits giving the consumer or business a product at a lower price. There are cultural issues that come into play in e-business.

These consist of different languages, cultures, and the way business is conducted. The multicultural nature of e-business becomes important because cultural attributes do determine how people interact with companies based on social norms, standards, religious beliefs, and language. An organization will need to do cultural marketing which is a strategy for meeting the needs of a diverse population. No organization will need to have different websites in different languages with a different design, pricing strategy, currency conversions, and customer support.

Business practices may need to be changed for the website and in the interaction of international customers. Administrative issues are a concern for e-business because of the resolution on international legal issues. There are governments and international organizations that are working together to have uniform legal standards. The Model law was which the United Nations Commission on International Trade Law governs EC and reduces differences in international law. This has been adopted in many countries.

There are economic issues such as government tariffs, taxes, and customs. Governments have applied the same rules as traditional commerce to EC when it comes to regulations and taxes. When a purchaser downloads a purchase online, it is up to the purchaser to report that and pay a tax however is rarely happens. An organization needs flexible payment systems in order to accommodate how different groups pay for their purchases online. In an E-Business environment there are many things to consider to run an effective and successful business.

This starts with a strategic plan, the implementation of the necessary software, aligning with partners and alliances, abiding by local, state, and international laws, and catering to a multicultural diverse group. It is important to streamline each aspect of the business to efficiently and quickly serve your customers.

References

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