

# B2c site compared to b2bsite

Business



Companies and individual entrepreneurs involved in e-commerce are operating in a three-dimensional environment comprised with ethical, legal and regulatory norms and policies. Failure to comply with these norms may trigger various consequences for business or individual – from forfeiture of merchant account issued by banking institution to lack of customers aware of company's non-compliance or unethical conduct.

From the critical perspective, due to the fact that Internet and e-commerce tools enable merchants and companies to adjust online environment on their sites, online companies can utilize this ability to manage ethical, legal and regulatory procedures concerning both customers and businesses (Schneider, 2004). Ethical conduct and procedures are especially important in the B2B framework because businesses selling to other businesses treat their customers more as partners and rely on reciprocal information sharing for developing mutually beneficial partnerships.

Because the relationship is more extensive, every time there is an exchange of information or data, it must be meticulously tracked and labeled as general business or confidential as appropriate. B2B businesses must prevent unauthorized access to customer information on their Web sites, and protect the privacy of their customers / partners both technically and legally. Businesses such as Adobe software, many of whose customers are other businesses, accomplish this by having customized pages for each partner which are accessible only through login/password combinations issued by Adobe.

In the B2C framework, ethics are important in that they establish and promote the credibility of the business to its online customers. B2C

merchants, therefore, also must safeguard their customers' information, but without the level of customization offered by B2B businesses (Schneider, 2004). For instance, Amazon.com requires a username and password each time a site visitor asks for any type of customer account information, but they do not offer customized pricing for each customer as a B2B site would.

Legal norms and compliance procedures such as liability, contract validity and jurisdiction are equally important in both B2B and B2C frameworks, but they are slightly different because of the varying needs of B2B versus B2C customers. For instance, in the B2B framework the use of multiple networks and trading partners as well as various contacts within trading partner organizations make the documentation of responsibility challenging.

Here the use of online enterprise software that tracks activity by individual user through the issuance of multiple usernames and passwords both among different partners and within a partner organization can alleviate this difficulty. Large printers such as Fry Communications, for instance, which print for several different publishers, solve this problem through issuing multiple usernames and passwords under each different publisher's online account.

This allows multiple editors, production managers and artists to submit work and check the progress of their particular publication at Fry's various facilities simply by logging in under their companies' accounts using their individual usernames and passwords. In B2C business relationships, international laws often come into play because of the wide reach that the internet creates. The Internet has few regulations, and its operation is largely left to the free will of the market.

It is, therefore, incumbent upon businesses to self regulate their behavior on the internet. One of the better known Internet regulations is the CAN-SPAM Act of 2003 which sets up requirements for businesses that send commercial email, lays out penalties for spammers and companies whose products are advertised in spam, and grants consumers the right to demand that businesses stop spamming them (FTC. gov, 2005).

Commercial emails are generally the domain of B2C businesses which usually comply with the terms of the law through posting a compliance statement on their commercial emails and websites, as well making it easy for consumers to remove themselves from the companies' email databases. There are also gambling laws and laws like the Federal Telecommunications Act and the Computer Decency Act and other laws on child pornography, all of which concern B2C businesses. Similar to ethics, the appropriate behaviors for participants are typically laid out in regulations developed by trade associations, commercial standard groups and the professions.

On B2B sites ethics are regulated by mutual formal agreements signed by all partners, while on B2C sites these ethics are governed by user agreements and privacy policies which users must agree to comply with as a condition for using the merchant's Web site. References Schneider, G. , (2004). Electronic commerce: The second wave (5th ed. ). Boston, MA: Thomson Learning FTC. gov, (2006). Facts for Business. Available at Retrieved Feb 4, 2006