E- commerce

Business, E-Commerce

The business world is advancing very fast because it operates under totally efferent and simple business and revenue models In the digital economy. It is all about knowledge and technology based. Realizing the strength of e-commerce, Spray and Cruz claim that e-commerce is no longer an alternative but an imperative in today's economy (2008). Many organizations try to Improve their environment to e- commerce, but they are facing trouble in changing the mindset of operating the traditional business. Lamination technology plays a vital role In Implementing e- commerce in business perspectives.

Technology has its royal touch in supply chain, value chain, customer relationship management, social media and so on. Through technological advancement, business people are now able to perform business more appropriately within the minimum time duration and minimum cost (Goal, 2012). This assignment describes e-commerce and online business facilities and opportunities along with the role of technology the modern globalizes corporate world. 2. Understanding E-commerce Environment: Since the early ass's, e-commerce has been becoming more and more popular with the business people.

Earner, there is not enough usage of e-commerce, but gradually the use of e-commerce and information technology has been emerging as a vital E-commerce has become a useful tool in conducting business. Global economic trends are the proofs of the increasing use of e-commerce. Shannon et al (2012) illustrates that retail businesses are now converted to electronic businesses and the rate of conversion crosses the one digit limit. People are now being acknowledged about the shopping system in online. Similarly,

Hugo (2011) points out that online business makes more profit than the traditional business.

As a result, small and medium entrepreneurs are encouraged to start their businesses with online facilities. On the other hand, Llama claims that there are still some limitations that mom in front of the success of e-commerce (2006). Reluctance to adopt computer technologies, lack of in-house technological expertise, various organizational cultures, lack of an integrated information management system, and fear of structural change hinder the use of e-commerce technologies. However, e-commerce is really essential in today's business because of its nature. . 2 Nature of E-commerce: There are various dimensions of e-commerce technology, which have noticeable significance in business. In traditional commerce, people go to the marketplace to buy a product or service. And now, according to the argument of Lauded and Travel (2012), engagement in the transaction is possible from one's desktop, at home, at work, or even from the car, using mobile commerce. Similarly, Hugo (2011) points out that the marketplace is created around the world, which includes billions of consumers and millions of businesses.

A view put forward by Rich (2005) is that there is only one set of technical media standards, namely the Internet. For this, audio, video and text marketing messages are integrated into a single message. E- commerce works through the interaction with the users, which helps the process of levering goods to the market. Moreover, the cost of information processing is reduced dramatically. Nowadays, customization of products or services

according to the choice of the individual has become possible too. Lethal and Sense (2005) argue that there is not enough usage of e-commerce in corporate world of the developing countries.

The reason of not using e-commerce is the lack of knowledge about the usage of the Internet. However, e-commerce is imperative in conducting modern business. Various forms of e-commerce have made the nature of the e-commerce more vulnerable to the modern world. 2. 3 Forms of E-commerce: E-commerce is not easy to implement and one has to know different forms and types of e-commerce before the implementation. Profiteered et al. (2010) point out that there are usually five forms of e-commerce such as: business to customer, customer to customer, business to business, peer to peer, and mobile commerce.

Of these, according to the study Pennington (2004), the most commonly used form of e- commerce is Business to Consumer e-commerce. In this form of e-commerce, Pennington points out that, online businesses contradictorily with the customers with their products and services. Some BBC business models are content providers, inline retailers, community providers, portals, and service providers. On the other hand, Tape and Organza (2008) are emphasizing on consumer to consumer business. The eBay auction site is an example of ICC e-commerce where customers interact each other for transactions of products.

The consumers prepare and place the product for sale here. Len the context of Business to Business e-commerce, a Profiteered et al. (2010), it has the potentiality to become significant in e-commerce business. It is already the

largest form of e-commerce. EBB models are of two types. They are: private industrial networks and net marketplaces. Then comes to peer to peer e-commerce technology, in which the users are able to share files and information among each other. At last, mobile commerce or m-commerce refers to the use of mobile phones for online business.

A view put forward by Vamoose (2011) claims that the individuals can conduct stock trades, banking, shopping, travel reservations, and more. Business to government may be another form of e- commerce. However, this type of e-commerce is merged with EBB by some other writers. 3. Analysis of E-commerce Business and Revenue Models: A business model is a set of planned activities (business processes) that are designed o result in a profit in the marketplace (Coot et al, 2011). On the other hand, the revenue model is one of the key components of a business model.

The traditional business model arranges the individuals according to power within the organization. At the top level, there is a board of directors followed by the chief executive officer. The effectiveness of the board of directors largely depends on the management of the organization (Fisherman and Hawthorne, 2012). Managers may be general or specific according to the size of the organization. There are several traditional revenue models which exist till now (Cheeseburger, 2010). However, these traditional models have been changing greatly from the Internet and the e-commerce. 3. Online Business and Revenue Models: Nowadays, e-commerce has become a powerful factor in business and revenue models. It has significant impact on traditional business and revenue models (Stewarded

and Pigpens, 2010). As a result, most of the business firms focus on the e-commerce based business and revenue models for gaining sustainable advantage in the market. Emphasis on the movement of electronic information, information- barter models, digital delivery models, and freeware models have proved that, the impact of e-commerce in traditional business and revenue models is significant (Moll and Paul, 2005).

Supporting Mainland Paul (2005), Carlisle (2008) express his opinion that in every sphere of business and revenue models, the use of e-commerce is increasing. He adds that, for the use of the Internet, the traditional advertising model breaks up into direct and contextual advertising in online business (Carlisle, 2008). Direct selling and affiliate marketing are, according to the view of Evans (2009), also recognized in modern online businesses. To date, traditional established business models have become more meaningful for e-commerce.

Manufacturer models, subscription models, mail-order models, free trial models, direct marketing models work well in the Internet. After the introduction of online business and revenue models, it will be easier to understand how they differ in various circumstances. 3. 2 Impact of E-commerce on Business and Revenue Models: There are controversies about the impact of e-commerce on business and revenue models. Evans (2009) focuses on direct advertising which is the mostly used form of online business and revenue models.

Nowadays, cost per click, cost per one thousand website impressions are very popular agreeing for direct advertising. Contextual advertising, similar

to direct advertising, is done through the third parties such as own website is getting valued in the market. In case of direct selling, providing trusted products or services is imperative to success. Another impact of e-commerce on traditional models is adhered in affiliate marketing. Funk (2009) points out that affiliate marketing in e-commerce means the use of another websites specific place in exchange for a commission per click.

On many websites there are places for affiliate marketing. Large organizations such as Amazon, Ebay also provide their own affiliate marketing. However, Johnson and Christensen point out that, Just reliance on established e-commerce business and revenue models does not mean that the business will be successful (2008). Many other factors are here to determine the success or failure of the business. Business models themselves cannot give solutions to any given situation. Nevertheless, the success of the firm depends on the management operation even it is in touch of the science of technology. . Role of Technology in Mellifluousness: Technology is the most important element of e-commerce. It has enhanced the capability of doing business in the shortest possible time with the minimum institution of cost (Kinsman's, 2009). Technology plays significant role in an organization's supply chain, value chain, and customer service. These are the major opportunities of technology in online business. 4. 1 Role of Technology in Supply Chain: Supply chain management is now becoming dependent on technology and e- commerce.

E-commerce has developed the operation and implementation of supply chain in the current market. Lauded and Travel points out owners,

developers, designers, contractors and subcontractors, builder merchants, and manufacturers as the potential beneficiaries of technology in the supply chain (2012). According to the study of Lauded and Travel (2012), owners and developers get improved project efficiency. Construction costs and chance of errors are reduced dramatically by e- commerce. Designers of supply chain get the benefit of saving time and improved communication.

Moreover, contractors and subcontracts are given more efficiencies in tendering and procurement. Similarly, Wang (2003) argue that cost of communication and administration is also reduced through technology. Wang adds that manufacturers are the most beneficiaries in the sense that they can get more information about the market and produce goods according to the needs and emends of the consumers. Channel cost is also reduced because of the implementation of e-commerce. In spite of the advantages of e-commerce to supply chain, AAA-Grim finds out various challenges in its applications (2003).

Remaining in the opposition, Morris and Pinto (2007) point out that, in many cases, the potential of e-commerce technologies has not deleteriously. The companies use technologies to automate current operational processes without analyzing the company's objectives and goals. 4. 2 Role of technology in value chain: Value chain is a set of activities that is a must for customer satisfaction. Business organizations produce, market, deliver, and support its products or services. All these activities add cost and value to the product or service that is consequently distributed to the customer.

Planner argue that e-commerce has increased the velocity and perfection of communications between suppliers, distributors, and service gives additional advantage of value chain integration. Amid and Coot (2001) support Planner's argument and adds that e-commerce has improved value chain by identifying new opportunities for cost minimization. Selling to distant customers through the website of the company generates revenue. Furthermore, Amid and Coot 2001) state that, sales of digital products through the Web have become very common.

Moreover, online customer service is now available which helps in product and service improvement. However, Ross and Ross claim that value chain may not become so successful by the use of technology because there is less emphasis on customer awareness of technology (2011). So, the integrated technological advancement within the organizations and the customers can make the organizations more profitable and sustainable. 4. 3 Treat customers individually in e- commerce: Through the Internet and information technology, it has become possible to focus on customers individually and provide products and services according to their choice.

Fill (2006) has made a research for the understanding of the role of e-commerce in customer relationship management. In his study, Fill finds out that there are customer identification code and the purchasing history of the customers in the site for the implementation of personalization and customization (2006). Lee et al. (2011) declare that they have found similarity with the sudsy of Fill and put forward their view thereafter is, to date, a database management system for the customers and their chosen

products. Some other tools of personalization include tools for interactivity and active content.

So, personalization and customization are significant to e- commerce because they have made it more powerful than direct mail, or shopping at a shopping mall. Speaking directly to the customers and designing products according to their perceptions helps to increase sales and revenue. 5. Role of social media: Although social media is a relatively recent phenomenon, it is becoming an important part of the marketing of any business. Kinsman's (2009) states that faceable, twitter, Google plus, and many more have become a must for any business searching secure position in both traditional and digital marketplaces.

Every website needs to use the tools social media offers for robust and responsive utilization. Similarly, Bryozoans argue that the consequences of social media have so significance, that when there is the presence of technology and business, social networking comes to the front (2012). A research conducted by Chase and Knobble (2011) finds out that the major roles performed by the social media include advertising, socializing, sharing and monitoring, outsourcing, and saving. There are spaces for advertising of products or services on social media websites.

Establishing a good communication with the society is possible, which builds the credibility of the business. Moreover, social media provides opportunities to the businesses and experts to share the expertise and new product development news to the society. AAA-Grim (2003) finds similarity with other writers and claims that, it becomes easier to employ people from the net

because there is no need of traditional procedures of recruitment. Last but not the least, social networking sites save money as well as the time of the businesses.

Mute (2009) strongly opposes the advantages of social media; rather he commerce business. The main problem of social media, according to Mute (2009), is the lack of privacy. However, every organization should focus on social networking for the promotion of its business. 6. Future Trends of E-commerce and Online Business: E-commerce has become a part and parcel of our everyday business transactions. The future trends of e-commerce and online business are described in points below: * The current trends show that the use of Technology, Internet, and smart phones is increasing rapidly (Feldman, 2012). People are more confident in using their credit cards online. This means that e-commerce business will rise drastically in the upcoming years. * Profit will be high and the shareholders can gain a satisfactory return on investment. * Consequently, e-commerce profit margin will cross the level of traditional businesses and the top e-commerce sites will become brands along with the traditional brands. * Mobile marketing may be the alternative Off- commerce. But, like the physical business, online business also needs to establish goodwill, reputation, and profitability.

For this, Plunked (2010) suggests some solutions such as: facing competition, marketing, and offering online customer service. Sahara and Sahara adds that settling payments, seeking potential nonusers, executing orders, etc. Are also needed in e-business (2012). However, successful e-commerce businesses will be those which focus not only the online business,

but also have physical outlets, shops, and traditional marketing channels. 7. Conclusion: In light of the above analysis, it can be concluded that e-commerce is the most emerging issues in modern business world.

It has created the most significant revolution in the process of the operation of the business. Electronic commerce transforms the traditional mode of business and now there is no application of conventional business wisdom. The geographic boundaries are becoming diminished because of the globalization. It becomes relatively inexpensive to create websites than physical business. As a result, online retail businesses tend to increase dramatically. Many intermediaries are shifting to retailers for more profitable and relaxed work. However, the use of the Internet needs to get more emphasis in the future development of the e-commerce.